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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Article Views Ukraine's Pledge To Destroy Nuclear Weapons

HK2101005094 Beijing RENMIN RIBAO in Chinese
17 Jan 93 p 6

["Roundup" by Ci Ruling (1964 3067 1545): "After the Signing of the Russia-U.S.-Ukraine Nuclear Agreement"]

[Text] Leaders of three countries—Russia, the United States, and Ukraine—signed an agreement in Moscow on 14 January on dismantling 176 strategic nuclear weapons and 1,500 nuclear warheads in the Ukrainian territory and carrying all of them to Russia to be destroyed. In exchange for this, Ukraine will be financially compensated with aid of \$175 million from the United States and at the same time will be given a safety guarantee. This is a major action that has been jointly undertaken by Russia, the United States, and Ukraine concerning the issue of nuclear weapons since the Lisbon Accord signed between the United States and Russia, Ukraine, Kazakhstan, and Belarus in May 1992.

All three parties have made positive assessment of the above agreement. Clinton said that it was a "break-through" which has reduced the possibility of nuclear calamities and has ushered in a "new era" in the U.S.-Ukrainian relationship. Yeltsin maintained that the agreement had intensified the nuclear nonproliferation mechanism and pushed forward the process of nuclear disarmament. Kravchuk said that the agreement was the result of compromise made by all parties, which enabled Ukraine to be more secure and obtain the right of equal partnership.

No doubt, the Moscow agreement has made significant progress toward solving the nuclear weaponry problem in Ukraine, but many problems have yet to be resolved. Moreover, whether the agreement can be smoothly carried out will depend on the development of Ukraine's domestic political situation and the relations between Ukraine and Russia and between Ukraine and the United States.

First, the issue of nuclear weapons has a decisive impact on the stability of Ukraine's political situation. When Ukraine proclaimed its independence, it declared that it would be a nuclear-free country and promised to destroy all its nuclear weapons. Over the past few years, however, there have been different political propositions at home regarding the approval of the treaty to reduce strategic weapons in the first stage and the accession to the nuclear nonproliferation treaty. In some people's opinion, under the circumstances of enormous external pressure and public territorial claims from certain Russian forces, nuclear weaponry is Ukraine's "trump card" in defending its national independence and territorial integrity. They were even more worried about Russia's foreign policy after its new parliamentary election. Therefore, they do not want to give up their nuclear weapons but favor retaining them, at least for a certain period. Other people are of the opinion that the principle of becoming a nuclear-free

country should not be changed, but they should be compensated for giving away the nuclear weapons, or the contents of the nuclear warheads should be transformed into fuel for nuclear power stations to alleviate the serious energy crisis. In addition, Ukraine found it difficult to continue maintaining and managing the existing nuclear missiles either economically or technically. If the nuclear arsenal is preserved, several dozen billion U.S. dollars will still be needed to set up a complete system of scientific research and production. That will be beyond their ability, even though they wish to do so. For this reason, the Ukrainian parliament decided last year to approve the treaty with 13 conditions attached to it and called for the nuclear powers, primarily Russia and the United States, to provide a security guarantee and economic aid as compensation. Therefore, after President Kravchuk signed the treaty in Moscow, he still has to make painstaking efforts to persuade the parliament so that the treaty can be endorsed and put into effect.

Second, the issue of nuclear weapons is a vital element that has an impact on the relations between Ukraine and Russia and between Ukraine and the United States. Since the disintegration of the Soviet Union, nuclear weapons have all along been one of the major disagreements between Russia and Ukraine. The Russian side maintains that it should be the only successor of the Soviet nuclear weapons, and that those in the Ukrainian territory must be shipped to Russia. What is more, Russia tried to force Ukraine to give in by suspending supplies of petroleum and natural gas to the latter and pressing it to repay its debts. As for the United States, it first tried to make Ukraine submit to its pressure, threatening that, if Ukraine would not settle the nuclear problem, it would not develop other aspects of its relations with Ukraine. Later, it changed tactics by promising to provide Ukraine with aid of \$175 million and increasing personnel contacts and consultations with a view to urging Ukraine to hand over its nuclear weapons. As a matter of fact, what Russia and the United States are worried about is the emergence of another powerful and independent nuclear country, apart from Russia, after the disintegration of the Soviet Union. Hence, they insisted that they would not provide a security guarantee to Ukraine unless it acceded to the treaty. Prior to his current trip to Moscow, Clinton was the first to announce in Brussels that Ukraine had consented to destroy the nuclear weapons. He also made a short stay in Kiev, which was aimed at demonstrating the progress made in nuclear disarmament so as to remove the anxieties of Europe over the nuclear threats on the one hand, and at manifesting the support he had won from NATO members on the other.

The public maintains that the solution of the problem regarding Ukraine's nuclear weapons is a major achievement that has been scored through the coordinated position between the United States and Russia. However, the principal purpose of Clinton's current trip was to put his plan of a "partnership for peace" into practice. He made no commitment to security in the Eastern European region, and his promise of economic aid to Ukraine was also much said but little done, which was far from what

Ukraine had expected. Judging from this, the changes of political situation in Russia and the United States and whether their policies toward Ukraine as well as the U.S. undertaking of aid and compensation can be carried out will have an impact on whether Ukraine will perform its obligations in a period of time to come.

Commentary Views NATO Strategy on Eastern Europe, Russia

HK1801145994 Beijing RENMIN RIBAO in Chinese
18 Jan 94 p 6

["Commentary" by Zhang Qihua (1728 0796 6478):
"NATO's New Strategy and Europe's Security"]

[Text] In the wake of the NATO summit and President Clinton's visit to Prague and Moscow, a program of "partnership for peace" through "careful consideration" was eventually presented. A universal view in the West is that this program has been set out as NATO's new strategy, which aims at dealing with the new challenges facing European security in the wake of the Cold War.

The so-called new strategy is that NATO will establish peaceful bilateral relations with partnership countries to gradually expand NATO to the eastern part of Europe, thus establishing a new European security system with NATO as its core.

This new strategy has been developed on the basis of the two previous NATO summits that determined changes in military strategy and expanding dialogue and realms of cooperation; it involves NATO's role and all aspects of the new structure of European security under the new situation. Viewing the summit communique and President Clinton's speech, the main contents include the following:

1. The United States is determined to play a new leading role in a historic turning point for NATO to revitalize the organization;
2. NATO's gate will be open to East Europe, the CIS, and other West European countries; NATO will decide whether or not to accept their membership depending on military conditions and political cooperation between the two sides;
3. As a means of military intervention, it will organize and establish a multinational joint task force comprising NATO and non-NATO member countries; this task force will be under the command of the Western European Union, with access to NATO's communications, equipment, and logistics forces;
4. Under the conditions of a termination of the "common enemy," NATO's chief target is to deal with "common dangers," and presently the emphasis is being laid on dealing with existing border and ethnic contradictions and the conflicts arising therein, such as the war in Bosnia-Herzegovina; and
5. NATO is to accelerate its conversion from a military-political organization to a political-military organization so that it can safeguard European security and stability more effectively.

To promote NATO's new strategy, the United States has presented a new attitude of improving relations with closer ties to its European allies. President Clinton called for joint U.S.-European efforts to restructure European security, and said that the United States would continue to carry out its obligations in Europe. Clinton pledged before the leaders of the 15 member countries that his administration would be different from that of his predecessor and that he "will support European efforts to promote its own security and interests." The United States wants to exercise leadership over NATO, but is unwilling to get too involved in European conflicts; it can openly allow Europe to "play a greater role," with its European allies taking a greater responsibility for defense. Another cause in which the United States finds the assistance of its European allies indispensable is if it wants to "merge" East European countries with the West; everyone knows that some East European countries have long expressed the hope to join NATO. Viewing actual conditions, Western Europe also has aspirations to strengthen security, but its unity on defense remains quite fragile. On the security issue, Europe will have to continue to rely on the United States. The strongest voice for U.S. assistance to resolve the crisis in Bosnia-Herzegovina came from France, which has always advocated independent defense; this serves as a very good example.

The prerequisites for expanding NATO and realizing European security are U.S.-European solidarity and cooperation. However, viewing the present situation, the United States needs to handle well its relations with Russia. Some people believe that the most significant symbol of President Clinton's European trip was the U.S.-Russian summit. Those observers who show concern for NATO, whether in favor or not of NATO pushing eastward, "consider Moscow with anxiety." Those who are in favor of this worry that they will be labeled as "opposing" Moscow, and those who oppose it are not without misgivings about "isolating" Moscow. It was by no means accidental that the United States did not dare to present a list of countries included in a plan to push NATO eastward. Clinton had to go to Prague to remove some of the leading contenders' misgivings; more importantly, he had to go to Moscow personally to weigh the pros and cons of the issue. Two points of major U.S. concern are, namely, first, whether or not Russia's political stability and economic reform are on the right track; and second, what is really in Yeltsin's mind about the expansion of NATO, and whether or not Russia insists on possessing a "particular position" and "leadership" in security arrangements involving Eastern Europe and within the CIS.

In Moscow, Clinton stated that he would continue to support Yeltsin, and, giving much food for thought, the two sides announced that no new dividing line should be drawn in Europe. It seems that this proves the fact that in pushing NATO's new strategy, the United States has continued to adopt the cautious policy of giving "priority to Moscow." Although the United States has repeatedly stated that East European security and U.S.-European interests are linked as one, and that it is ready to implement the "partnership for peace" program, nevertheless,

all this cannot affect U.S.-Russian relations. It seems that it will not be easy for the United States to realize NATO's new strategy. Let alone the Russian factor, viewing the West, we find that it will be very difficult to unify the differences which exist in understanding between the United States and Europe and within Western Europe. As for Eastern Europe and the CIS states, their reaction to NATO's new strategy has been different. Under such circumstances, it is still hard to tell what the bottom line is in pushing NATO eastward, which country will be the first to be absorbed, what the effects and results will be, and what a future European security structure will look like. In commenting on the results of the current summit, REUTER said: "The problems caused by NATO's role in Eastern Europe and other regions will be more numerous and more serious." That is not an exaggeration.

Article Previews 1994 World Situation

HK2401100794 Beijing LIAOWANG in Chinese No 2,
10 Jan 94 pp 42, 43

["International commentary" by Sa Ren (5646 0088): "Changing From Across-the-Board Shock to In-Depth Unrest—Prospects for the International Situation in 1994"]

[Text] In 1994 the world steps into the third year after the end of the Cold War, and the international situation will continue to develop and change inside the general framework of the world pattern in the transitional period. The multipolar tendency will become more obvious. The shock wave caused by the end of the Cold War on the world situation will change from across-the-board shock in 1993 to in-depth shock in 1994. The general changes in the international situation will tend to be less violent, but local and regional turbulences will still continue.

The contention for domination of affairs in the Asia-Pacific region will develop further. The multitiered economic cooperation in this region will continue mainly in the form of subregional cooperation [yí cǐ qū yú hé zuò wéi zhǔ 0110 2945 0575 1008 0678 0155 3634 0031], and the multilateral dialogue mechanism in Northeast Asia will become the new focus of regional security cooperation.

After the Seattle meeting, the United States tried to further expand the functions of APEC, and further its effort to establish the Asia-Pacific Economic Community advocated by the United States, Australia, Canada, and New Zealand. Although Japan did not object to the relevant proposals raised by the United States, it set forth certain reservations and limitations on the U.S. proposals and also covertly encouraged and supported ASEAN in confronting the United States on this issue. The ASEAN countries were opposed to the U.S.-dominated plan for Asia-Pacific regional economic cooperation. After Indonesia took over the APEC chairmanship, it joined other ASEAN countries in using this advantage to slow down the pace of Asia-Pacific economic cooperation advocated by the United States.

After the Seattle meeting, although economic cooperation in the Pan-Asia-Pacific region was strengthened somewhat, the APEC ministerial meeting in Seattle did not reach agreement on the final development goal and evolution pace of APEC. Moreover, various parties concerned were involved in sharp contradictions on this issue. Therefore, the Asia-Pacific regional economic cooperation will not advance too fast in 1994, and the subregional and "enlarged tripartite" [zeng zhang san jiao she 1073 7022 0005 6037 1709] economic cooperation in the Asia-Pacific region, especially in East Asia, will come to another upsurge.

After the security forum in the ASEAN region was set in motion, the United States, Japan, and Russia will gradually shift the focus of their work to the Northeast Asian security affairs that have close relations with their own interests. It is expected that the United States, Japan, and Russia will strengthen their tripartite "semiofficial security forum" on affairs in Northeast Asia, and will make an effort to create their official dialogue mechanism. At the same time, the United States, Japan, and the ROK will also gradually open the secret consultation organization for the security in Northeast Asia formed by the United States, Japan, the ROK, Canada, and Australia, and will consider including China and Russia as members in order to exchange opinions on security affairs in this region. Northeast Asia will thus become another focus of the Asia-Pacific multilateral security dialogue.

The scope of contradictions between the United States, Japan, and Europe will become wider, but the focus of their frictions will shift. European and Asian affairs will be more closely linked in Western relations.

In the economic field, after the end of the Uruguay Round trade talks, the contradictions between the United States, Europe, and Japan will shift to the concrete implementation of the agreement. This year, the U.S., European, and Japanese Governments will still be plagued by their domestic problems, and may adopt more protectionist measures under domestic pressure.

In the political and security fields, in January, U.S. President Clinton will promote his "New Atlantic Doctrine" during his visit to Europe. The United States will try to maintain its domination over European political and security affairs and try to make NATO carry out adjustments and reforms according to its wishes. This will inevitably arouse vigilance and resentment among some West European countries. NATO's reorganization will become the main subject of the U.S.-European dispute. The U.S.-Japanese contradictions will become more prominent in the course of establishing the Asia-Pacific multilateral security mechanism.

A noteworthy fact is that the United States, Europe, and Japan are all stressing the implementation of their new Asia-Pacific policy in an attempt to expand their own influence in the Asia-Pacific region and to raise their status in the West. That is, they are trying to boost their influence in Europe and America through first boosting their influence in Asia.

Improving the Cooperative Mechanisms in Each's Own Region Will Remain the Task of Primary Importance of the Three Major Economic Circles of Europe, the United States, and Japan.

Improving and developing their internal cooperation mechanisms, and properly handling the contradictions and problems inside their own regions will be the most pressing and also the most important task for regional economic circles in 1994. Before this task is successfully fulfilled, it is hard to carry out large-scale and intense inter-regional economic frictions and struggles. Although the Maastricht Treaty has come into force, it is hard to say whether the second-phase goal of the European Economic and Currency Union will be smoothly achieved. There remain serious differences between various EC countries on the economic policies. The struggle between unionism and the idea of safeguarding national sovereignty will become more profound and more intense in the process of integration. The general economic recession will make it hard for most EC members to meet the third-phase requirements of the economic and currency union on time. The North American Free Trade Agreement is also facing the fact that a distinct gap exists between the economies of the United States, Canada, and Mexico, so it is hard to unify the specific standards. In addition, many domestic factors in the United States and Mexico are also constraining the union from extending into Latin American. It is also hard to advance economic cooperation in the Pan-Asia-Pacific region at a faster pace because of the unevenness of economic development, the differences in social systems, and the existence of complex contradictions inside this region and also because the organizational structure of regional economic cooperation is rather loose.

Russia will remain the world's largest unstable factor, and the political struggle in Russia will continue.

Although Russia's new constitution has been passed and the new parliament has been elected, the Russian political situation will remain uncertain and the political struggle inside the ruling clique of Russia may become more intense. At present, various political factions are involved in another round of trial of strength around the cabinet appointments and the chairmanship of the two parliamentary chambers. In the first half of this year, the debate on whether to hold a presidential election will arise again. The tendency toward autonomy and self-determination in the 88 federal entities will make it hard to compromise with the national authorities. More importantly, the Russian economy is far from moving onto a path of normal development. It is even harder for the new parliament and the new cabinet to reach a conclusion on the new reform program. The authorities' macroeconomic policy will continue to be uncertain and elusive and the microeconomic entities will find it hard to take a firm course. The overall economic situation in Russia will not make a marked turn for the better.

In addition, big-power nationalism's further rise in Russia has aroused vigilance among some Western, East European, and former Soviet countries. The Russia policy of

the Western countries, especially that of the United States, will be continuously adjusted according to changes in the Russian political situation. The changing Russian political situation will remain the most important variable that affects the development of the world pattern.

Many local hot spots will be settled in a political way, but many difficulties will remain. In some regions, local conflicts may arise again.

After the signing of the framework agreement on the Palestinian-Israeli Peace Treaty, the Middle East peace talks may make further breakthroughs. The dialogue between the Cambodian Government and the Khmer Rouge is still continuing. After the adoption of the interim constitution in South Africa, nationwide general elections will be held. The parties involved in the Bosnia civil war may reach a cease-fire agreement. However, the contradictions in all such old hot spots are complicated, and the peace processes will not be smooth. The frictions and conflicts in some new hot spots of the former Soviet region and Eastern Europe have not been alleviated, and may even further escalate.

XINHUA Praises Uruguay Round Agreement

OW1801162494 Beijing XINHUA Domestic Service in Chinese 0759 GMT 20 Dec 93

["Year-End" by reporter Pan Yongming (3382 3057 2494): "The World Has Not Given Up a Historic Opportunity"]

[Text] Beijing, 20 Dec (XINHUA)—After seven years, the Uruguay Round of multilateral trade talks finally concluded on 15 December in Geneva when Sutherland, director general of the General Agreement on Tariffs and Trade (GATT), banged the table with a gavel. The talks reached a comprehensive agreement which will further unclog the channel of world trade and create favorable conditions for the development of world trade and economy in the late 20th century and early 21st century.

The world economy has been in a recession since the late 1980's. Under such a situation, all countries have adopted various measures to revive their economy, but without any remarkable success. So, to strive for success in the Uruguay Round of talks has been regarded as the only chance for getting the world economy out of stagnation. Since the GATT became effective in 1948, seven rounds of talks have been held, tariffs have dropped drastically, and the world's trade volume has risen from \$57 billion in 1945 to \$3.7 trillion in 1992. The GATT played a valuable role as an impetus to economic development which should not be overlooked.

The vast number of developing countries, considering the interests of the whole, have made relevant concessions and greatly contributed to the success of the recent round of talks. However, the Western powers nearly ruined such a historic opportunity despite the fact that they would benefit the most from the success of the talks. The Uruguay Round of talks was originally scheduled to end three years ago, but the talks were repeatedly delayed due to sharp

differences between the European nations and the United States over such issues as trade in agricultural products, financial services, subsidies to aircraft manufacturers, and trade in audio and visual products; and at times the talks almost reached a breaking point. Many people with breadth of vision warned that the failure of the talks would inevitably lead to intensified protectionism and consequences worse than anything imaginable. After repeated bargaining back and forth, the European side and the U.S. side at last had to make compromises.

The Uruguay Round of talks had 117 participating parties and dealt with 21 items, including market access, tariff reduction, service trade, and intellectual property. The text of the final agreement reached by the talks is as long as 450 pages, containing 45 independent documents. The major achievements are as follows: First, the problem of market access for almost all industrial and agricultural products has been solved. All non-tariff barriers which various countries have set up over the years to protect their industry and agriculture will be gradually removed in next 10 years. Second, tariffs for industrial goods will be drastically reduced, by approximately 40 percent. Third, developed countries will reduce tariffs for agricultural products by 36 percent in six years, while developing nations will reduce the tariffs by 24 percent in 10 years; and farm subsidies will be reduced by 36 percent in six years, and the export of subsidized farm products will be reduced by 21 percent. Fourth, banking, telecommunications, and other services, as well as intellectual property, will be placed for the first time under the control of the GATT. In addition, the agreement also deals with the establishment of multi-lateral trade organizations.

The successful conclusion of the Uruguay Round of talks is a welcome event for all countries. As Sutherland has said, the agreement means "more trade, more investment, more employment, and better income" for everyone. All parties, both developed countries and developing countries, will benefit to varying degrees. Of course, countries with more developed commodity economies and greater exports will benefit more. For this reason, developed countries will benefit much more than developing countries. According to calculations by several international organizations, after the agreement is completely carried out in 2005, the benefits obtained by all countries will range from \$230 billion to \$270 billion, and the actual benefits may even be much higher than these figures. According to an estimate by U.S. President Clinton, the United States alone will obtain benefits ranging from \$100 billion to \$200 billion and create several hundred thousand jobs. The indirect impact of the agreement will not be felt until after it is carried out, and it is too early to estimate what will happen now.

For the developed countries, the advantages from the agreement are evident, while to the vast number of developing countries, there could be more disadvantages than advantages. However, some developing countries which are achieving industrialization will benefit more from the agreement. First, these countries will be able to freely export their industrial products to developed countries.

Next, these countries, with a good investment environment in which the production costs are much lower than in developed countries, will attract a great deal of investment from major transnational companies. The major disadvantages are as follows: First, although the agreement permits the poorest developing nations with no industrial foundation to adopt measures to protect their national industries, it is in fact not easy for them to do so. This is because if they adopt high tariffs, their people will be unable to afford to imported industrial goods; and if they adopt low tariffs, their national industries will be strangled. Second, the agreement has not solved the problem of high tariffs for textile goods, leather products, tropical products, and primary products, while these products are major export products of many developing countries. In particular, textile goods will continue to be subject to the control of the 1974 agreement on various fiber products in the next 10 years. The 1974 agreement is very unfavorable to developing countries because it sets quotas and high tariffs for imported textile goods. Third, when service trades such as banking and telecommunications enter developing countries, they could cause unexpected consequences.

Many international organizations have calculated the advantages and disadvantages of the agreement of the Uruguay Round of talks to developing countries. Their consensus is that the poorest countries, particularly black African nations south of the Sahara, will get only the smallest piece of the Uruguay Round cake. A serious defect of the Uruguay Round agreement is that it has not paid due attention to the commodity production and trade of the poorest countries.

An agreement is merely an agreement, and the key is how to carry it out. Some Western nations usually place their domestic law above international agreements, and frequently bring fabricated charges against other countries according to their domestic law and take "reprisal" measures against the latter, resulting in international agreements existing in name only. For this reason, it is not so easy to truly seize this historic opportunity, and it is still necessary to make a great deal of effort.

ROK, U.S. Consider Deploying Patriot Missiles

OW2601111594 Beijing XINHUA in English 1107
GMT 26 Jan 94

[Text] Seoul, January 26 (XINHUA)—South Korea [ROK] and the United States are "positively" considering deployment of Patriot missiles at bases of the American forces in Korea, South Korean Vice-Foreign Minister Hong Sun-yong said here Wednesday [26 January].

"Negotiations are under way between the two countries," Hong said, "as to the size and time of deployment, decisions will be made after further consultations."

"We hope that the deployment (of Patriot missiles) will enhance South Korea-U.S. defense capability," he said.

South Korea will not purchase Patriot missiles and the anti-missile defense system will be part of the weaponry deployed by the U.S. forces in Korea at their bases, Hong added.

At present, about 36,000 U.S. soldiers are stationed in South Korea.

Envoy to UN Cited on Observing South African Elections

OW1401235494 Beijing XINHUA in English 2327
GMT 14 Jan 94

[Text] United Nations, January 13 (XINHUA)—The Security Council today in a resolution extended the mandate of the U.N. Observer Mission in South Africa (UNOMSA) to include observation of the country's elections on April 27, as suggested by the U.N. chief.

At the request of the transitional Executive Council of South Africa, Secretary-General Butrus Butrus-Ghali had proposed the United Nations provide some 1,800 observers. Along with those from the Organization of African Unity (OAU), the European Union, the commonwealth and individual states, the total number of international observers would probably exceed 5,000.

The UNOMSA would have a significant role "not only in assessing the freedom and fairness of the elections, but in monitoring each stage of the process," the U.N. chief said in his recent report on South Africa.

The unanimously-adopted Resolution 894 urged all parties in South Africa, including those which did not participate fully in the multi-party talks, to respect agreements reached during the negotiations, to adhere to democratic principles, and to take part in the elections.

It also called upon all parties to take measures to end the violence and intimidation and thus contribute to the conduct of free and fair elections, and expects that anyone who seeks to disrupt the elections will be held accountable.

Speaking at the Security Council meeting today, Li Zhaoxing, Chinese permanent representative to the U.N., said the success of the election depends on the South African people themselves, and hoped that all parties in the country will make efforts to ensure the election be held on schedule.

At present there are 100 observers in UNOMSA, which was established in 1992 to assist in creating conditions for negotiations leading towards a peaceful transition to a democratic, non-racial and united South Africa.

United States & Canada

XINHUA Views President Clinton's State of Union Address

OW2601083694 Beijing XINHUA in English 0807
GMT 26 Jan 94

["News Analysis" by Wang Nan: "Clinton's Initiatives Tough, Response Divided"]

[Text] Washington, January 25 (XINHUA)—It was the warm and prolonged applause in the House Chamber that greeted President Bill Clinton's first state of the union address.

But after the speech, in the Statuary Hall, the lawmakers' response to Clinton's proposal on crime fighting and health care reform was divided.

The President, addressing the joint session of the Congress, outlined his major tasks for 1994, which include tougher penalties on criminals and a stronger push for health care and welfare reforms.

In his 11-minute response, Senate Minority Leader Robert Dole commented that this idea would "put a mountain of bureaucrats between you and your doctor."

Dole also said that the administration has damaged its credibility on the crime issue by cutting the federal prison construction budget by 20 percent.

Combining toughness and compassion in his speech, the President attempted to energize his setback-loaded one-year presidency, which however has gained in popularity.

According to the latest polls by ABC News, far ahead of the economy, crime posed as the top issue for average Americans, reversing the trend only half a year ago.

So people found few surprises in Clinton's speech which touched briefly on the economy, but was long on community policing, tougher penalties for criminals and increased funding for drug education.

"We cannot renew our country when 13-year-old boys get semi-automatic weapons and gun down nine-year-old boys—just for the kick of it," Clinton said.

"We cannot renew our country when children are having children and the fathers of those children are walking away from them as if they don't amount to anything," he added.

Ric Fazio, a Democrat from California, said tonight's speech showed that Clinton has "begun to reach out and started to provide more leadership for the country, which is very risky in many ways."

"It should be a speech that unifies us, rather than divides us," complained Robert Walker, a Republican from Pennsylvania, suggesting that the President spent too much time defining the Republicans as the bad guys on everything.

The Republicans disagreed with Clinton's health care reform, saying that the President's plan imposes too much bureaucracy on the industry which should be guided by market forces.

Clinton's health care proposal, first made last September, aims to guarantee health insurance for all Americans by the year 1996, by way of asking employers to pay up to 80 percent of the insurance premiums for their employees.

U.S. health care spending consumes 14 percent of the country's gross domestic product. Last year, however, it witnessed the lowest increase in hospital bills and medical technology expenditures in years along with low inflation rates.

On crime fighting, most lawmakers agreed that Clinton's proposal on tougher penalties, including sending three-time offenders into prison for life, would get bipartisan support.

"Three strikes and you are out, yes. Community policing, yes. Strong measures like banning assault weapons, yes," responded Paul Wellstone, a Democrat from Minnesota.

Some lawmakers, meanwhile, appeared anxious that since the nation's economic recovery was still unstable, much attention should be focused on arranging defense conversion and increasing employment.

"We're not seeing the rebound in our economy," said Olympia Snowe, a Republican from Maine. "The President should spend much more time on the issue."

Predicting 1994 as "a good year" for Clinton, Barbara Kennelly, a Democrat from Connecticut, appeared worried that "we can't do it all because of the deficit."

Qian Calls Talks With Christopher 'Constructive' on Return

OW2501034494 Beijing XINHUA in English 0320
GMT 25 Jan 94

[Text] Beijing, January 25 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen returned here by air this morning, winding up his visit to African countries and France.

Among those greeting Qian at the airport were Tian Zengpei, Chinese vice-foreign minister, and diplomatic envoys and officials from Madagascar, Eritrea, Kenya, Ethiopia, the Sudan and France.

Qian paid a goodwill visit to the above-mentioned five African countries as well as Mauritius from January 11 to 21. At the end of his trip in Africa, Qian went on to pay an official visit to France, where he also met U.S. Secretary of State Warren M. Christopher.

In an interview at the airport Qian told XINHUA that he was accorded a warm, grand and high-standardized reception during his visit to the six African countries. "This manifests the traditional friendship between China and African countries," he added.

He expressed satisfaction over the meetings and talks with French leaders. He held that these activities were of importance in strengthening mutual understanding and promoting the development of the relations between China and France as well as other west European countries.

Qian said he held constructive talks with U.S. Secretary of State Christopher in Paris and exchanged views on international and bilateral matters, achieving understanding on some issues.

Qian expressed his belief that the meeting represents a major step in high-level contacts between China and the United States, hoping that Sino-U.S. exchanges will maintain the fine momentum.

Talks With U.S. Yield Actions To Fight Illegal Immigration

OW2501125394 Beijing XINHUA in English 1156
GMT 25 Jan 94

[Text] Beijing, January 25 (XINHUA)—China and the United States are to take effective measures to combat smuggling and illegal immigration. This was made clear during consultations between the two countries here on Monday [24 January].

On the basis of mutual respect, equality and strengthening co-operation, the consultations were conducted between Zhang Hongxi, director of the Consular Affairs Department of the Chinese Foreign Ministry, and U.S. Assistant Secretary of State Robert Gelbard.

During the consultations, the Chinese side analysed main reasons for the emergence of smuggling and illegal immigration, reiterated China's consistent principled stand that the Chinese Government has all along been against smuggling and illegal immigration, and briefed on the unremitting efforts and resolute measures the Chinese side had adopted in this sphere.

The Chinese side asked the U.S. to deal severe blows at "snake heads"—people involved in organizing smuggling inside the territory of the U.S.

The Chinese side pointed out that China is resolutely against and cannot accept that "political asylum" should be offered to smugglers who ask the U.S. for "political protection".

Such people use so-called excuses such as that "the Chinese human rights situation is not good", or claim that they are "suffering from political persecution", or are against China's family-planning policy. The Chinese view is that wrongfully granting asylum in fact encourages smuggling and provides international smuggling organizations with opportunities.

While combating smuggling and stopping illegal immigration, the Chinese side held that normal exchanges between people of the two sides should be actively maintained, hoping that the U.S. side can ensure convenience for Chinese people who are on business or for private affairs apply for visas from the U.S.

The U.S. side said that the U.S. is formulating new laws so as to crack down on increasing illegal activities by international crime-committing organizations.

Paying much attention to combating smuggling activities, the U.S. side is willing to strengthen co-operation with China in enhancing direct contacts between the two sides and exchanging information, and severely punish those criminals.

The U.S. side also said that relevant U.S. bodies are ready to strengthen exchanges with relevant Chinese departments and enhance understanding between the two sides.

The two sides agreed to establish an ad hoc consultation system, further strengthen bilateral exchanges and cooperation between law-enforcing departments, exchange information in good time, and take effective measures to severely punish the "snake-heads" and stop smuggling and illegal immigration.

The two sides held that this effort is in conformity with the interests of the two countries.

Central Eurasia

Russian Envoy Comments on Kozyrev's Visit

OW2501131794 Beijing XINHUA in English 1255
GMT 25 Jan 94

[Text] Beijing, January 25 (XINHUA)—The coming official China visit by Russian Foreign Minister Andrey V. Kozyrev is expected to help promote the existing Sino-Russian relations, said Igor A. Rogachev, Russian ambassador to China, here this afternoon.

Rogachev, in an interview with XINHUA, said that Kozyrev's China tour, which will take place from January 26 to 29, is the first visit made by the Russian foreign minister outside the Commonwealth of Independent States (CIS) after the re-shuffle of the Russian Government.

He revealed that Kozyrev and the Chinese side will discuss bilateral relations.

Meanwhile, he said, the two sides will also confer on regional and international issues of mutual concern as well as briefing each other on the respective domestic situations.

Facts over the past years show that the two countries can conduct very good cooperation in many major international issues, he recalled.

The ambassador noted that both countries are carrying out reforms. And the Russian foreign minister will travel to the Shenzhen Special Economic Zone in south China's Guangdong Province during his stay in China.

He went on to say that Russian-Chinese relations in all fields have enjoyed smooth development since Russian President Boris Yeltsin visited China in December 1992.

In the economic and trade field, he said, the total trade volume of the two countries last year hit 7.7 billion U.S. dollars, an increase of 30 percent over 1992.

About 80 percent of the trade were conducted through over 20 ports along the Sino-Russian border, and the two governments would sign an agreement concerning ports during Kozyrev's trip to China, he said.

Moreover, the two countries also have conducted good cooperation in science and technology, the ambassador noted.

XINHUA Reports Russian Foreign Minister's Departure

OW2401191294 Beijing XINHUA in English 1905
GMT 24 Jan 94

[Text] Moscow, January 24 (XINHUA)—Russian Foreign Minister Andrey Kozyrev left here today for China on a tour which will also take him to Kyrgyzstan.

Upon his departure, Kozyrev told XINHUA that Russia hoped to develop long-term and all-round friendly relations with its biggest neighbor China.

After his visit to the Central Asian republic of Kyrgyzstan, Kozyrev is expected to arrive in Beijing on January 26.

Kozyrev Visits Heilongjiang

OW2601110594 Beijing XINHUA in English 1050
GMT 26 Jan 94

[Text] Moscow, January 26 (XINHUA)—Russian Foreign Minister Andrey Kozyrev said today that the relationship of partners and cooperation between China and Russia should enter a state that conforms with the status of the two large countries and the evolving situation in Asia and the whole world.

The foreign minister made the statement at a symposium on the prospect of developing Sino-Russian border trade in Russia's far east city of Blagoveshchensk, ITAR-TASS reported.

Kozyrev said that last year, exclusive border trade volume between Russia and China amounted to 2.5 billion U.S. dollars, and 2.5 million people crossed Sino-Russian border from both directions the same year.

At present, he said, the trade and cooperation between the border areas of the two countries should enter a higher stage of establishing joint ventures for production. Meanwhile, new transit ports should be opened along the border, he added.

The minister then crossed into China's Hei He City of Heilongjiang Province, where he met with government leaders of Heilongjiang and Hei He City, and discussed with them border trade. Kozyrev also visited a free economic zone in Hei He City.

He is due to arrive in Beijing today for an official visit to China.

Gaydar Rejects Post in New Russian Cabinet

OW1601172494 Beijing XINHUA in English 1705
GMT 16 Jan 94

["Profile": "Gaydar Rejecting Post in New Cabinet"—XINHUA headline]

[Text] Moscow, January 16 (XINHUA)—Russia's First Deputy Prime Minister Yegor Gaydar, 37, said today he will not join the new cabinet, the list of which is expected to be issued on Monday [17 January].

At a news briefing, Gaydar, the "shock-therapy" economic reform architect in Russia, said: "I have decided to reject the offer made by the chairman of the government (Viktor Chernomyrdin) and not to take the post of the first vice-premier."

He said he categorically disagreed with the decisions taken by the government, including the signing of an interbank agreement on Belarus entering a monetary union with Russia and the government's decision to build a new parliamentary building which will cost 500 million U.S. dollars.

"I cannot be in the government and in the opposition at one and the same time," Gaydar said.

Gaydar, who is President Boris Yeltsin's top aide in charge of market-oriented economic reforms, told reporters that he discussed the issue with Yeltsin on Thursday and the president understood his position.

The "Russia's Choice" bloc's leader said that he intends to concentrate on his work in the state Duma, the lower house of the Parliament, adding that the bloc intends to do its best not to admit representatives of the Liberal Democratic Party led by Vladimir Zhirinovskiy to key committees of the lower chamber—the defense, security and international policy committees.

Last Monday, only one day before the new parliament's two chambers opened their first sessions respectively, Yeltsin signed a presidential decree on reshuffling the federal government with an aim to "improve the efficiency of the government's work."

In accordance with the order, there will be four deputy prime ministers instead of one, and two of them will be first deputy prime ministers. In addition, the government staff and the number of ministries and committees will be cut.

Meanwhile, the current government head Chernomyrdin was ordered to submit a reshuffle list as soon as possible. Gaydar had been seen most possible to become one of the first deputy prime minister in the new cabinet.

However, he himself rejected the possibility today.

Gaydar, who graduated from the economic faculty of the Moscow State University, is a master of economic sciences.

In the 1980s, he worked at several scientific, system research or economic institutes, and as an editor of the COMMUNIST journal and as an editor of the PRAVDA daily.

Between 1990 and 1991, Gaydar was director of the Institute of Economic Policy of the Soviet Economic Academy. In 1991-1992 period, he was deputy chairman of the Russian Government in charge of economic reform and economics and finance minister of the former Soviet republic.

In the second half of 1992, he worked as acting prime minister chairman of Russia.

But in a secret ballot at the 7th Congress of the former Russian Parliament headed by Ruslan Khasbulatov, Gaydar failed to win the required majority of votes to be elected head of the Russian Government, and he was removed from the post of the acting prime minister.

In 1992, Gaydar was appointed by Yeltsin director of the Institute of Economic Problems of the Transitional Period, and became Yeltsin's chief adviser for economic issues.

Last September, Gaydar was named by Yeltsin first deputy prime minister and performed the duties of economics minister.

Since last November, weeks before the Parliament elections started, Gaydar has been leader of the "Russia's Choice" bloc, now one of several big factions in the lower house.

Yeltsin Accepts Resignation

OW1701164394 Beijing XINHUA in English 1554
GMT 17 Jan 94

[Text] Moscow, January 17 (XINHUA)—Russian President Boris Yeltsin today accepted the resignation of First Deputy Prime Minister Yegor Gaydar, while making assurances that the economic reforms which he had led in Russia will continue.

In a statement, Yeltsin said: "Giving tribute to the competence, courage and the contribution which Yegor Gaydar made to the course of economic reform, I understand the arguments and motives which made him offer to resign."

He stressed that although Gaydar has quit, the reform policy would continue and explained that Gaydar would work in the State Duma in the national interest as he had previously.

37-year-old Gaydar, the architect of Russia's economic reform, told reporters on Sunday [16 January] he had decided not to stay in the new cabinet, the full list of which is scheduled to be published on Tuesday.

As an explanation he said that the government had recently taken decisions with which he disagreed and without his presence.

This is the second time that Gaydar has left the government. In December 1992 Yeltsin had to remove him from the post of acting prime minister after a severe conflict with the former parliament over the course of reform.

Gaydar returned to the government as first deputy prime minister last September when Yeltsin dissolved the former parliament.

Gaydar, who is Yeltsin's top aide in charge of market-oriented economic reforms, said he had discussed the issue with the president on Thursday who understood his position.

He added that he intended to concentrate on his work in the state duma, the lower house of the Parliament, in which his "Russia's Choice" Party has a majority.

He said his party would try not to allow representatives of the Liberal Democratic Party, led by the right-wing Vladimir Zhirinovskiy, onto key committees of the lower chamber, such as defense, security and international policy committees.

Russian Finance Minister Offers To Resign

*OW1801160394 Beijing XINHUA in English 1541
GMT 18 Jan 94*

[Text] Moscow, January 18 (XINHUA)—Russian Finance Minister Boris Fedorov has offered his resignation, radio here reported Tuesday [18 January].

The news reports said Fedorov, also deputy prime minister in charge of financial affairs, had rejected the post of finance minister in the new government which did not carry with it a deputy prime minister's role.

Fedorov made the decision after Prime Minister Viktor Chernomyrdin and his first deputy Oleg Soskovets refused to meet his demands to sack chief banker Viktor Gerashchenko and Deputy Prime Minister Aleksandr Zaveryukha.

According to the radio, Chernomyrdin asked Fedorov to remain in the cabinet, but the latter refused after his demands had been rejected.

In a related development, First Deputy Prime Minister Yegor Gaydar resigned on Sunday. Gaydar, Yeltsin's architect of the country's market-oriented economic reform, is the leader of the "Russia's Choice" bloc.

Well-informed sources told reporters earlier today that Chernomyrdin would discuss the list of the new government with President Boris Yeltsin this afternoon.

Russian Premier Announces First Changes in Cabinet

*OW2001181994 Beijing XINHUA in English 1629
GMT 20 Jan 94*

[Text] Moscow, January 20 (XINHUA)—Russian Prime Minister Viktor Chernomyrdin today announced the makeup of the new Russian government in accordance with a decree signed by President Boris Yeltsin earlier in the day.

The line-up included:

Oleg Soskovets as first deputy prime minister;

Aleksandr Zaveryukha as deputy prime minister;

Anatoliy Chubays as deputy prime minister;

Yuriy Yarov as deputy prime minister;

Eduard Nechayev as health minister;

Viktor Khlystun as minister of agriculture;

Sergey Shakhrai as minister of nationalities and regional policy;

Sergei Shoigu as minister of civil defense and emergency situations; and

Aleksandr Shokhin as minister of economics.

President Yeltsin decreed on January 10 that the number of deputy prime ministers should be cut to four or five from the previous nine, and the number of ministers should be reduced to 23 from over 30.

Names of ministers including heads of defense or foreign affairs departments were not written in today's decree.

The decree also relieved:

Vladimir Shumeyko of his duties as first deputy prime minister in view of the fact that he has been elected speaker of the federation council, the upper house of the parliament;

Yegor Gaydar of his duties as first deputy prime minister at his request; and

Boris Fedorov, Shakhrai and Shokhin of their duties as deputy prime ministers in connection with the changes in the government structure.

The decree also relieved Vasilii Voznyak, Vladimir Kuramin, Vladimir Mashchits and Ivan Chernoyvanov of their duties as chairmen of the state committees of the government because their committees will be merged into relative ministries.

Azerbaijani Foreign Minister Calls For Talks With Armenia

*OW2501193694 Beijing XINHUA in English 1905
GMT 25 Jan 94*

[Report by XINHUA reporter Chen Ming]

[Text] Tehran, January 25 (XINHUA)—Azerbaijan has suffered tremendous losses in the "Armenian aggression," with 25,000 people killed, 1 million becoming refugees and 3,000 villages destroyed, Azerbaijani Foreign Minister Hassan Hassanov [name as received] said here today.

The statement was made in an interview with XINHUA by the Azerbaijani foreign minister, who is attending the fourth annual meeting of the council of foreign ministers of the Economic Cooperation Organization (ECO), which opened here today.

Up to now, he said, "Armenian forces have occupied 20 percent of our territories. As a result, 50,000 people became homeless, 2,000 schools and hospitals were destroyed and ruined during the war."

Moreover, he warned, "Armenian forces are trying to launch a greater attack. They are even threatening us to occupy Baku, the capital of Azerbaijan. They have created a very strong army."

The minister told XINHUA, "we want to settle these problems peacefully and through negotiations with the Armenian authorities."

Therefore, he said, "we appealed to the world society and communities to demand that Armenians should obey U.N. Security Council resolutions and withdraw from our territories."

During the first session of the ECO council of ministers this morning, the Azerbaijani foreign minister also called on international organizations to give political support to his country and help solve the disputes.

In response to his call, Iranian Foreign Minister 'Ali Akbar Velayati, who is playing a mediation role between the two sides, said at the meeting that it is unfortunate and the conflict in the region has caused great concern among the people in the world.

He said that Iran would like to witness peaceful settlement of the dispute in the future.

Hikmet Cetin, foreign minister of Turkey, also expressed his concern about the conflict, saying, "The situation in southern Caucasus and especially the conflict between Armenia and Azerbaijan require our immediate attention."

During his interview with XINHUA, Hassan Hassanov suggested three measures to settle the problems:

- "The aggressors" should comprehend and realize that "it is aggression."
- Azerbaijan should have a strong army to drive the "Armenian aggressors" out of the occupied territories. At the same time, Azerbaijan wants to settle those problems by peaceful means and negotiations.
- The world organizations and the international community should force Armenia to obey the international rules and withdraw from its "occupied territories."

When asked whether Azerbaijan asked for military support from other countries, Hassan Hassanov said, "We mainly want political support to solve this problem and never asked other countries for military support because we do not like other countries to interfere in any state conflict."

In addition, he said, "we consider economic sanction should be adopted against Armenia because it uses economic support only for military purposes."

Southeast Asia & Pacific

Burmese Economic Planning Minister Visits Yunnan Province

OW2601104194 Beijing XINHUA in English 0915
GMT 26 Jan 94

[Text] Yangon [Rangoon], January 26 (XINHUA)—Myanmar [Burma] Minister for National Planning and Economic Development Brigadier-General Abel left here for Kunming to pay a six-day visit to China's Yunnan Province.

The minister is to make the visit at the invitation of He Zhiqiang, governor of Yunnan.

It is learnt that the minister will have discussions with the Chinese side on trade and economic cooperation and the matters of common concern.

Cambodian Delegation Leaves Hainan for Guangdong

HK2601103594 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 20 Jan 94

[Text] A government delegation of the Kingdom of Cambodia led by His Highness Prince Norodom Ranariddh, first prime minister of the government, and His Excellency Mr. Hun Sen, second prime minister of the government, left Haikou by special plane yesterday morning for Guangzhou after satisfactorily concluding its visit to Hainan.

She Jianming, chief of the accompanying team and deputy director of the State Planning Commission; [name indistinct], Chinese ambassador to Cambodia; and Wu Minglian, director of the Foreign Ministry's Protocol Department, also left for Guangzhou on the same plane.

Provincial party Secretary Ruan Chongwu, Vice Governor Mao Zhijun, and Haikou Vice Mayor Wang Fuyu went to the airport to see them off.

Prior to their departure, the Cambodian guests visited the Hainan International Financial and Commodities [words indistinct] Service Company, Ltd on the 15th floor of the Haikou International Commercial Building in the company of Vice Governor Mao Zhijun and Haikou Vice Mayor Wang Fuyu.

Vice Premier Zou Jiahua Meets With Malaysian Delegation

OW2501140894 Beijing XINHUA in English 1234
GMT 25 Jan 94

[Text] Beijing, January 25 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here today with chairman and managing director Cheng Heng Tem of the Lion Group from Malaysia and his party, and they had cordial and friendly talks.

Zhang Lichang, mayor of the Tianjin Municipality, was present at the meeting.

At the invitation of the Tianjin Municipal Government, Cheng Heng Tem arrived in Tianjin January 21 to negotiate on the transformation of the city's old automobile enterprises.

Consortium Meets With Philippine's Ramos on Satellite Bid

OW2401125894 Beijing XINHUA in English 1229
GMT 24 Jan 94

[Text] Manila, January 24 (XINHUA)—At least 11 foreign firms are competing in the Philippines to get a contract worth an estimated 200 million U.S. dollars to launch the country's first ever communication satellite.

This was revealed by Transportation and Communications Secretary Jesus Garcia as a Chinese consortium delegation is currently here to promote a Chinese sale.

Garcia said that of the 11, four are American—Hughes Space and Communications, Martin Marietta Astro Space Division, Rimsat, and Panamsat.

Three are European—Arianespace, Matra Marconi Space, and Global Information System of Russia.

The rest are based in Asia—Asiasat of Hong Kong, Measat of Malaysia, Shinawatra of Thailand, and the visiting Chinese consortium.

During a meeting with President Fidel Ramos today, the consortium, composed of Beijing High Den Enterprises Ltd. and China Greatwall Industry Corp, proposed that China provide technology and expertise, the United States the satellite components and the Philippines local engineering support.

The deal will involve about 200 million U.S. dollars excluding land operation facilities which would add 100 million dollars more, according to High Den Director and general manager Lu Changsen.

China, despite a new comer in the international launching market, is noted for its high success rate and less expensive service, Greatwall president Zhang Tong said.

The Greatwall, the sole company authorized by the Chinese Government for launching service, has launched four satellites for overseas clients since 1990 and is contracted to send 30 more into orbit in the next seven years, he said.

After the Chinese consortium, Arianespace promoters led by marketing and sales manager Philippe Berterottiere and Asia-Pacific Office head Dieter Brand are coming on heel to Manila on January 26.

Arianespace, claiming to be the world's leading space transportation company, has launched some 70 telecommunication satellites, accounting for three-fourths of all commercial satellites now operational.

Hughes has also made a presentation to the Philippine Government, in which it indicates that it could help the country tap a loan from the U.S. Government if it gets the contract to provide the satellite.

Secretary Garcia said that the Department of Transportation and Communication will conduct public hearings in February and promulgate an international satellite policy by March.

Near East & South Asia

Tehran Official Denies Competition With Turkey Over C. Asia

OW2201214194 Beijing XINHUA in English 2101
GMT 22 Jan 94

[Text] Tehran, January 22 (XINHUA)—Iranian Deputy Foreign Minister Mahmoud Vaezi [name as received] here today denied any competition between Iran and Turkey over Central Asia.

"No, there is no reason for us to compete with Turkey or other states," Mahmoud Vaezi said in an exclusive interview with XINHUA correspondents.

"There is a lot of room for cooperation, for work and activities" in the Central Asia, he said. "If Turkey or any other countries want to enter the Central Asian region, they can and we welcome all the countries to enter the region for cooperation."

The world media have constantly reported that both the Islamic countries of Iran and Turkey want to occupy the vacuum in the Central Asian countries after the disintegration of the former Soviet Union.

Asked about the worry about Iran's Islamic export to the Central Asian countries, Vaezi termed the worry as unnecessary since Iran does not want to interfere in the internal affairs of any other countries.

"This is our policy. It does not matter whether it is a Central Asian country or an European country," he said, adding, "actually it is not the Central Asian countries that worry about the Islamic revolution."

"It is the Western correspondents who wrote such things everyday because they do not want good relations between Iran and those countries", Vaezi said. It is just a propaganda in order to separate Iran from those countries, he noted.

Referring to Iran's cooperation with the Central Asian countries, he said that Iran has started its cooperation with the Central Asian countries in many fields, such as telecommunications, air, road and shipping transportation, trade, industry and so on.

Four months ago when Iranian President Hashemi-Rafsanjani visited five Central Asian countries, 64 documents were signed between Iran and those countries, most of which cover the fields of economic cooperation, he said.

The Central Asian countries have good resources but they need help in many fields, he said. The cooperation with those countries benefit both sides, he stressed.

Some Iranian officials said earlier that Iran could promote its non-oil export and reduce its reliance on oil revenue by reviving the ancient Silk Road and expanding cooperation with the Central Asian countries.

West Europe

NPC Vice Chairman Chen Muhua Meets Foreign Businessmen

OW2601091394 Beijing XINHUA in English 0855
GMT 26 Jan 94

[Text] Beijing, January 26 (XINHUA)—Chen Muhua, vice-chairperson of China's National People's Congress (NPC) Standing Committee, met with a delegation from the Royal Dutch-Shell Company here this afternoon.

The delegation, headed by Lane Sloane, coordinator of the Asia-Pacific Region of the company, arrived here yesterday. In addition to Beijing, they have also visited Guangzhou and other Chinese cities.

Government Rejects Possible Beijing Visit by Pope

HK2601050894 Hong Kong AFP in English 0449 GMT 26 Jan 94

[Text] Beijing, Jan 26 (AFP)—The Chinese Government said Wednesday there was no possibility Pope John Paul II could visit Beijing so long as the Vatican persisted in refusing to recognize China and supported underground church movements.

"The Vatican must sever its so-called diplomatic relations with Taiwan, recognize (that) the government of the People's Republic of China is the sole legal government of China and Taiwan is part of Chinese territory," a Foreign Ministry spokesman said.

Beijing requires all countries with whom it has diplomatic relations to recognize it as the sole government of all China. It views Taiwan, the island to which defeated nationalist forces retreated after the civil war, as an outlaw province.

The Holy See "must also stop interfering in China's internal affairs, including its religious affairs," the spokesman said, referring to unofficial Chinese congregations gathering for worship.

"This is (a) matter of principle which should be solved in the first place in Sino-Vatican relations," he said.

The pope expressed hopes on Monday to visit China. It was the second time in less than a year that he has voiced such an ambition.

He said he did not want to forego a chance to build relations with Beijing and the state-sanctioned church, which is dependent on the communist party. But he added that much needed to be done ahead of establishing full diplomatic relations.

After the Chinese communists came to power in 1949, Beijing and the Vatican severed ties and the Holy See recognized Taiwan.

The Chinese government has created an official church but many among the country's Catholic population remain loyal to the pope, gathering in groups in a so-called "church of silence" supported by the Vatican.

XINHUA Interviews French Official on Bilateral Relations

OW2601034494 Beijing XINHUA in English 0313 GMT 26 Jan 94

[Text] Paris, January 25 (XINHUA)—French-Sino relations should have a fresh start after the publication of the joint communique on January 12, a French senior official said today.

Alain Peyrefitte, president of the France-China Friendship Society of the French National Assembly and former minister with the government of General de Gaulle, made the remarks in an interview with XINHUA NEWS AGENCY and the French-language monthly magazine "CHINA EXPRESS."

The former minister praised General de Gaulle who moved to establish diplomatic relations in the 1960s with the People's Republic of China and recognised it "as the representative of the Chinese nation."

China has offered many trade favors to France since the establishment of diplomatic ties in 1964. And France has become the third biggest trade partner of China by 1992, only after the U.S. and Japan.

However, France's share in the Chinese market has diminished after it decided to sell arms to Taiwan, for which France has lost business contracts of estimated six billion francs (1.2 billion U.S. Dollars) in China.

"After the normalization of relations between France and China, the French industries will invest again in the market at full steam," said Peyrefitte.

He noted the Chinese are ready to make "a big jump towards market economy" and their economic development has great potentials.

Peyrefitte said France can make use of its "considerable advantages" in transport, telecommunications and energy in cooperation with China and expand its export and investment in other Asian countries through joint-ventures and transfers of technology.

In conclusion, he said, "all foreign investors are actively involved in China's modernization drive, and it is in the interests of France to join them."

The former French minister is leaving for China Wednesday to participate in the ceremony marking the 30th anniversary of the establishment of diplomatic relations between the two countries and prepare for the coming visit by French Prime Minister Edouard Balladur.

NPC Chairman Qiao Shi Makes One-Day Trip to Geneva

OW2601014494 Beijing XINHUA in English 0117 GMT 26 Jan 94

[Text] Geneva, January 25 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, made a one-day tour today from Bern to Geneva, a residing place of the United Nations organizations in Europe.

During his stay here, Qiao met with Claude Haegi, governor of Geneva canton, Herve Burdet, president of canton parliament, and Michel Rossetti, mayor of Geneva. The Chinese guest is in Switzerland on a four-day official and goodwill visit.

He said China is willing to increase its exchanges and cooperation with Geneva canton, an important canton in

Switzerland. He also noted the eight special committees of China's NPC are ready to conduct cooperation with the Swiss side.

Both Haegi and Burdet welcomed Qiao's visit and gave an account of the functions of the canton parliament and government work of the Geneva city.

Haegi said Geneva canton intends to develop its friendly ties with China, and cooperation between the two parliaments in particular.

Qiao also visited the European Laboratory for Particle Physics in Geneva, one of the largest scientific laboratories in the world.

Qiao ended the trip and went back to Bern later in the day.

French Company Wins Guangzhou Subway Contract

HK2401072894 Beijing CHINA DAILY in English 24 Jan 94 p 2

[By Li Wen: "Guangzhou Subway Doors Open to French"]

[Text] Guangzhou—Sofretu, a French transportation engineering giant, clinched a consultancy contract over the weekend with the Guangzhou Metro Corporation to help supervise and manage the construction of the new subway here.

"The normalization of Sino-French relations will make our participation in the metro work easier," said Jean-Michel Kuntzer, Vice President of Sofretu's Asia & Oceania Company, at the signing ceremony.

Kuntzer, who is on his 25th trip to Guangzhou in connection with the project, also said that his company has been working on the project with the Guangzhou side for more than seven years.

"We have a good relationship with the municipal government and local engineers," Kuntzer added.

According to the \$5 million-plus contract, Sofretu will send 200 subway experts to Guangzhou to provide technical and engineering consultancy for the most difficult part of the Phase I project in Guangzhou subway.

In the meantime, Chinese engineers will be sent to study at Sofretu's headquarters—the Paris Metro Company.

The Huangsha-Tianhe section, which extends eight-kilometres through the city's busiest area, will be built through shield tunneling, an underground construction method that meets international standards.

In addition to its business here, Sofretu is involved in the renovation of the Beijing Metro network, which was built more than 20 years ago.

And for more than two years, it has been doing research with the Shanghai government on the city's transportation network.

"As China plans to build light railways in more than 20 cities, we are hoping to enlarge our business here," said Kuntzer.

RENMIN RIBAO Views Legacy of British Colonial Rule

HK2501013094 Beijing RENMIN RIBAO in Chinese 22 Jan 94 p 6

[Article by Hua Wen (5478 2429): "Inglorious Record—Various Kinds of Trouble Britain Left Behind in Its Former Colonies"]

[Text] Britain used to have the largest colonial empire in the world. By the end of World War II, the struggle of Asian and African peoples for national independence was spreading like a storm, and Britain was compelled to withdraw from its former colonies. However, in the course of its withdrawal, Britain took great care to use various inglorious means and tricks; it sowed discord between different races, religious sects, tribes, and other political forces to spark contradictions and conflicts, thus implementing "divide and rule"; or forced the implementation of mergers in the form of a "federal state," namely, "merge and rule"; or went all out to prop up a pro-British government. In a nutshell, it attempted to continue to maintain British vested interests and maximise political influence.

"Divide and rule" was one of Britain's usual notorious methods, and India served as the most typical example. In 1943, Britain set forth a policy of "divide and rule," and advocated the division of India into three governing regions, namely, separating India into a Hindu region, a Muslim region, and a region of various princely states and feudatories. Lord Louis Mountbatten, the last British viceroy of India, dished up his "divide and rule" plan in June 1946, which partitioned India into three—two dominions, India and Pakistan, and various princely states and feudatories. At the same time, it was stipulated that the princely states and feudatories had the right to decide on their own to join any of the two dominions, with the aim of using the princes of the Indian princely states and feudatories as a force to counter the Indian nationalist movement; and second, it sowed discord in relations between Muslims and the Hindus, and this eventually led to the partition of India and Pakistan. Indian and Pakistani historians indicated this by hitting the nail on the head, saying that the aim of the partition of India and Pakistan plotted meticulously by Britain was to make these two countries weak and make things difficult for them to stand on their own feet. Of course, history did not develop in the way the British colonialists hoped for. On the Palestine issue, Britain first encouraged the Arabs of the Ottoman Empire to resist Turkish rule; later, they hoisted the banner of supporting the Zionist movement, roping in the Jews to elbow out the Arabs at one point, then taking advantage of the Arabs to oppose the Jews at another. In Cyprus, to split the anti-British struggle of the local people, Britain encouraged Turkish Cypriots to confront the EOKA, the anti-British Greek Cypriot organization. Later,

Britain led Greece and Turkey into Cyprus' internal conflict; consequently, the sovereignty of this island state fell apart. Furthermore, this resulted in complicated contradictions and conflicts between Greece, Turkey, and Cyprus, and between Turkish Cypriots and Greek Cypriots, while turning the Cyprus issue into an international hot spot.

Sometimes, Britain pushed the strategy of "merge and rule" in some regions through forcing together "federations" by force. A typical example was the "Central African Federation," which Britain patched up. In 1953, the British Government merged British Southern and Northern Rhodesia and Nyasaland and formed a so-called "Federation of Central Africa." This was out of British political and economic considerations. Economically, Northern Rhodesia abounded in copper, Southern Rhodesia had skilled Caucasian technicians, and Nyasaland possessed a huge cheap labor force. Welding those three factors into an economic federation was conducive to Britain's maintenance of its economic interests in this region. Politically, the Caucasian immigrants in Southern Rhodesia were powerful and controlled the local government; with the organization of the "federation," the influence of the Caucasians of Southern Rhodesia would extend to all of British Central Africa, thus suppressing newly rising black nationalism in Africa. Nevertheless, the "Central African Federation" went bankrupt in 1963 because of the strong opposition of its black African inhabitants.

In addition, another important policy target of Britain in the course of its withdrawal from its colonies was to prop up pro-British forces, and it transferred power to pro-British governments. National independence and liberation movements with a strong momentum broke out in British colonies in south, and Southeast Asia in the early post-war years. India at that time was like "a loaded ship on fire in the ocean." Britain was compelled to make the decision to withdraw quickly from India, while transferring political power into the so-called "hands of Indian who have a sense of responsibility" to prevent catastrophe for Britain. It was precisely in this way that Britain realized a "peaceful transfer of political power" in India, while a whole range of organizations of old colonial rule were retained, while India and Pakistan remained members of the British Commonwealth of Nations, and British private capital in India was left intact. In the early post-war years, the Burmese People's Movement vigorously developed. To avoid being thoroughly driven out from Burma, Britain rapidly transferred political power to "moderates," who were acceptable to Britain. British economic interests and military bases in Burma basically remained intact. Britain's method in Malaysia was almost undisguised. The

Malaysian people had already emancipated the country during the war of resistance against Japan. When the British Army returned to Malaysia, it started to restore the colonial order in Malaysia. Later, Britain announced a state of emergency in Malaysia, and Britain eventually transferred political power in the mid-1950's, when the situation had basically stabilized.

The various tricks Britain resorted to in the course of its withdrawal from its colonies left the former colonial countries endless hidden dangers after independence. This found conspicuous expression in long-term turbulence in the political situations of these countries in the wake of their independence, and endless conflicts between neighboring countries or within countries, whereas socioeconomic development was impeded and restricted. In "divide and rule," Britain implemented artificial partitions or mergers of territory in former colonies, thus creating numerous complicated nationality and border issues for the independent countries later on. In August 1947, Britain hastily withdrew from India two months after the Mountbatten plan was presented, which resulted in slaughter between the religious sects and an escalation of turmoil. Statistics show that 500,000 people died directly or indirectly in the turmoil, and 5 million people fled from their homes. Based on the Mountbatten plan, Pakistan was founded in two separate areas in the east and the west, some 1,600 km away from each other; the inconvenience in transportation resulted in extremely great difficulties in economic development. The rivalry between India and Pakistan over Kashmir resulted in several armed conflicts, and the issue remains unresolved as of today. Britain's implementation of "divide and rule" in Palestine left a large number of Palestinian refugees homeless. The long-running confrontation between the Arabs and Israel and the four Middle East wars that broke out one after the other all find their roots in British "divide and rule." Likewise, the civil war and divisions between the Turkish Cypriots and Greek Cypriots after Cyprus' independence, and the conflict between Greece and Turkey are all inseparable from the evil consequences of what Britain did during its rule in Cyprus.

The British colonialists created divisions in Nigeria by utilizing contradictions between various tribes to instigate regional separatism and jeopardize Nigeria's national solidarity and unification, while sowing the seeds for long-term internal disturbances after Nigeria's independence. In the late 1960's, the Nigerian Civil War that centered around the independence of Biafra cost 1 million lives, and economic and social development was seriously damaged. Britain bears unshirkable responsibility for all of this.

Political & Social

Propaganda, Ideological Work Conference Reported

Further on Jiang's Remarks

OW2501195494 Beijing XINHUA Domestic Service in Chinese 1659 GMT 24 Jan 94

[Report by Liu Zhenying (0491 2182 5391), Central People's Radio Network reporter, and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 24 Jan (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, gave an important speech in Beijing today at the national conference on propaganda and ideological work convened by the CPC Central Committee. He stressed: Our propaganda and ideological work calls for arming our people with scientific theories, guiding them with the correct public opinion, molding them with a lofty spirit, and inspiring them with outstanding works so that new generations of socialist-minded people who are endowed with lofty ideals, moral integrity, a sound education, and a strong sense of discipline can be continuously trained and fostered to provide a powerful ideological guarantee and to play a supportive role in forming public opinion in the great cause of building socialism with Chinese characteristics.

Jiang Zemin said: Propaganda and ideological work has a bearing on the overall situation in our undertaking to build socialism with Chinese characteristics. Party committees at all levels must attach great importance to this task; they must strengthen their leadership and earnestly shoulder responsibility in this regard.

The conference was held at the Great Hall of the People this morning. Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, Ding Guangen, Li Lanqing, Li Tieying, Wei Jianxing, Wen Jiabao, Ren Jianxin, and other comrades attended the meeting, which was presided over by Ding Guangen.

Jiang Zemin's speech consisted of three parts: first, the importance of strengthening propaganda and ideological work in the new period; second, the fundamental principles and main tasks of propaganda and ideological work; and third, efforts to strengthen and improve the party's leadership over propaganda and ideological work.

In his speech, Jiang Zemin said: This national conference on propaganda and ideological work, which is being held in the crucial period of building a socialist market economic structure and of the modernization drive in our country, is a meeting of overall importance. The main tasks of the meeting are: to implement the guidelines set by the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, as well as of the party's basic line; and to study and arrange ways and

means to strengthen and improve propaganda and ideological work in accordance with the principle of "simultaneously and strictly carrying out two tasks without relaxing efforts to attain either of them."

Jiang Zemin said: In the current year, the basic policy of the work of the whole party is: under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, to comprehensively implement the guidelines set by the 14th CPC National Congress, as well as by the Third Plenary Session of the 14th CPC Central Committee; to accelerate the building of the socialist market economic system; to maintain the sustained, rapid, and healthy development of the national economy; to safeguard political stability, and promote all-round social progress. The overall mission of the whole party is to seize the opportunity to deepen reform, open wider to the outside world, promote development, and maintain stability. All party comrades must understand this mission of overall importance, submit to and serve this mission, and do a good job in accomplishing the relevant tasks in all fields.

Jiang Zemin pointed out: The propaganda and ideological front is of immense importance. The history of past decades has shown that be it in revolutionary wars or in socialist construction, great victories are inseparable from propaganda and ideological work. This is a basic experience of our party. Attaching great importance to giving full play to the powerful role of propaganda and ideological work represents a major tradition and a major superior feature of our party.

He said: The departments in charge of propaganda and ideological work shoulder a vital mission. To sum this up, we may say that this mission is to correctly publicize the party's theory, line, principles, and policies; and to reflect vividly the great practice of the masses, to mobilize all positive factors, to turn all negative factors into positive factors, to unite all forces that can be united, and to fight to accomplish the magnificent goal of building socialism with Chinese characteristics. He pointed out: The new situation has made greater demands on the propaganda and ideological front. The party's theory, line, principles, and policies need to be publicized more penetratingly and widely so that they can be understood and grasped by the masses. The series of new measures taken by the party and the government to push forward reform must be convincingly explained in simple terms to the masses. New experiences created by the masses must be summarized and popularized; outstanding figures and their lofty spirits emerging from all fronts must be eulogized and propagated. The masses' increasing demands for spiritual civilization must be satisfied through all efforts. The multitude of problems arising in practice must be seriously studied and solved; ideological conceptual problems pertaining to the readjustment of interests which crop up in the course of reform must be redressed and resolved; and the negative tendencies prevailing in social life must be overcome. Our efforts to push forward reform and opening to the outside world and the modernization drive require China to better understand the rest of the world and the rest of the world

to better understand China. All these facts point to the importance of propaganda and ideological work. We can accomplish great things as long as we pay greater attention to various problems, and we must not overlook them in any way. We must intensify our efforts and must not slacken them one iota; we must keep on improving and upgrading, and we must never stand still.

Jiang Zemin said: Comrades on the propaganda and ideological front have made vigorous efforts and done a tremendous amount of work. On the basis of investigation and research and after summarizing our experiences and the new practices, we have developed a basic idea about carrying out propaganda and ideological work in the new situation and have further clarified the basic guidelines and principles, as well as the primary tasks and work arrangements. Now that the general policy guiding propaganda and ideological work has been laid down, the key lies in implementation, in doing our work in a down-to-earth manner, and in continuing to summarize our practical experience and to advance in a pioneering spirit.

Jiang Zemin pointed out: Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the fundamental principle guiding all party work. The propaganda and ideological front must firmly adhere to this basic guideline and use it as the guide for all of its work. Only by doing so can we ensure a correct orientation in propaganda and ideological work and the successful accomplishment of all our tasks. All party comrades, especially leading comrades at all levels and those engaged in propaganda and ideological work, must earnestly study Comrade Xiaoping's works, further enhance their consciousness and determination in carrying out propaganda and ideological work, and strive to use what they have learned in practical work.

He said: The propaganda and ideological front is an extended front shouldering arduous tasks. It must uphold the ideological line of emancipating the mind and seeking truth from facts, earnestly carry out its work in all fields by focusing on the central task of economic construction, and actively push forward the building of socialist material and spiritual civilization. At present and for some time to come, we must pay special attention to the work in four respects. First, the most important task of the propaganda and ideological front is to arm the minds of all party members with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Party committees at all levels must earnestly organize and guide party members and cadres to study this theory. While continuing to successfully hold seminars for principal leaders at the provincial and ministerial level, we will train within two to three years, by groups and in stages, all cadres with party membership at and above the county and regimental level. We must make full use of the press, radio, television, publications, and other media to publicize this theory thoroughly. We must bring into play in studying this theory the backbone role of the five research centers established by the Central Party School, the State Education Commission, the Chinese Academy of Social Sciences, the People's Liberation Army National Defense

University, and the Shanghai Academy of Social Sciences. Second, we must persist in implementing the party's basic line and in properly guiding public opinion. Persisting in properly guiding public opinion means creating a type of public opinion conducive to further reform and opening up and to the establishment of a socialist market economy and the development of social productive forces. It means creating a kind of public opinion that helps strengthen the building of socialist spiritual civilization, democracy, and the legal system; that encourages and inspires people to make arduous efforts and to blaze a new trail for the country's prosperity, people's well-being, and social progress; that helps people distinguish between right and wrong, uphold truth, good, and beauty, and resist falsehood, evil, and ugliness; that promotes national reunification and unity; and that helps to bring peace of mind to the people and social and political stability. Third, we must strengthen ideological work to bring up a new generation of well-educated and self-disciplined people with lofty ideals and moral integrity. We must strengthen ideological and ethical education centering on patriotism, collectivism, and socialism; carry out education in the spirit of plain living and hard struggle, and the principle of building the country through thrift and diligence; and carry out education on professional and social ethics and on national conditions. We must do a good job of mass ideological work. Fourth, we must adhere to the course of serving the people and socialism, uphold the principle of letting a hundred flowers blossom and a hundred schools of thought contend, foster the main theme, and bring about a boom in socialist literature and art. Upholding the principles of serving the people and socialism and letting a hundred flowers blossom and a hundred schools of thought contend are basic requirements for producing spiritual works and an important guarantee for the prosperity of propaganda and cultural undertakings. Fostering the main theme and advocating diversification reflect in a concrete way the orientation of serving the people and socialism and the principle of letting a hundred flowers blossom and a hundred schools of thought contend. Fostering the main theme means, under the guidance of the theory of building socialism with Chinese characteristics and of the party's basic line, vigorously advocating ideas and spirits conducive to fostering patriotism, collectivism, and socialism; conducive to reform, opening up, and socialist modernization; conducive to national unity, social progress, and the people's well-being; and conducive to seeking a happy life through honest labor.

Jiang Zemin emphatically pointed out: In the course of carrying out propaganda and cultural work and promoting socialist spiritual civilization, it is necessary to give priority to social benefit [she hui xiao yi 4357 2585 2400 4135]. Under this basic precondition, we must integrate economic returns with social benefit. It is important that we build spiritual civilization and strengthen its management.

In discussing strengthening and exercising effective party leadership over propaganda and ideological work, Jiang Zemin said: We must solemnly place the question of giving equal emphasis to two fronts and doing well in both before

the whole party; we must place this question high on the agenda of party committees at all levels. We should make it clear that the responsibility for a region's or department's propaganda and ideological work and progress in promoting spiritual civilization lies primarily with its party committee. Party committees at all levels, and their principal officials in particular, must conduct in-depth research and investigation, sum up experience, and improve propaganda and ideological work.

Jiang Zemin said: Building a contingent of cadres who are upright, well versed in policy, and professionally competent to implement propaganda and ideological work. The key to strengthening the building of this contingent of cadres lies in successfully building its leading body. Party committees at all levels should demonstrate concern for such a contingent in terms of politics, ideology, operations, and material benefits and do a good job in building such a contingent. We must conscientiously implement the policy of respecting knowledge and talent, bring into full play the intelligence and wisdom of the vast number of intellectuals on this front, and do our best to bring up in force experts in all fields who will make an impact at home or even internationally. As for those making outstanding contributions, we especially care for and treasure them.

He said: We must treat comrades on this front with understanding and support. We should passionately help them sum up experience and encourage them to go down to the grass-roots levels, to go deep among the masses, and to go into the realities of life so that they can draw nourishment from the creative and history-making activities of the masses to replenish and improve themselves.

Comrade Jiang Zemin pointed out: There is a large collection of men of talent on the propaganda and ideological front. The vast number of comrades on the propaganda and ideological front are loyal to the cause of the party and the people. The Central Committee trusts them and the party and people have high expectations of them. It is hoped that all of us will, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, work vigorously to make the country prosperous, keep forging ahead with all our energy, and make every effort to raise propaganda and ideological work to new heights.

Present at the conference were responsible comrades and propaganda department directors of party committees of various provinces, autonomous regions, and municipalities directly under the central government, and responsible comrades in charge of propaganda and ideological work from the various central departments and committees.

Also present at the conference were comrades attending the working conference of the Ministry of Culture, the Ministry of Radio, Film, and Television; the State Council Information Office, the State Press and Publications Administration, the General Political Department of the People's Liberation Army, and RENMIN RIBAO, the XINHUA NEWS AGENCY, and other departments and units.

Li Peng Urges Strengthened Leadership

OW2601112894 Beijing XINHUA in English 1119
GMT 26 Jan 94

[Text] Beijing, January 26 (XINHUA)—Premier Li Peng today urged Chinese Communist Party committees and governments at all levels to strengthen their leadership over ideological and media work, and promote the prosperity and development of cultural services.

Addressing a national conference on ideological and media work, the premier said: "The development of the international and domestic situations has provided very good conditions for improving our ideological and media work, and has also set still higher requirements on it."

Li, who is also a Standing Committee member of the Political Bureau of the party Central Committee, expounded four topics: the international situation and the conduct of China's foreign affairs; China's economic growth; the reform of the country's economic structures; and hopes on ideological and media work.

Jiang Zemin, general secretary of the party Central Committee, elaborated in his speech at the opening session of the conference the position and role of the ideological and media work during the current new period.

Jiang also spelled out the fundamental guiding principles and major tasks for ideological and media work.

Premier Li Peng asked all ideological and media departments to conscientiously implement the spirit of Jiang's speech and to do their work still better.

Speaking of the current international situation and the conduct of China's foreign affairs, he said that China has made great progress in relations with other countries by pursuing the independent policy of peace.

Having analyzed Sino-U.S. relations, Sino-West European relations, as well as friendly and cooperative relations between China and its neighboring countries and other developing countries, the premier said that overall, the current international situation has provided a favorable external environment for China to promote its reform, opening-up and economic development.

The leader stressed that China is now in a period of development rarely seen in history.

With a favorable international situation and good domestic conditions, he said, it is entirely possible for China to strive to achieve a "sustainable, fast-speed and healthy" growth of national economy for a fairly long time to come.

According to Li Peng, the principle governing China's economic work in 1994 is to implement the spirit of the party's 14th national congress and the Third Plenary Session of the 14th Central Committee, take major steps in establishing a socialist market economic set-up, open still

wider to the outside world, strengthen and improve macro-economic controls, readjust the economic structure, promote technological progress, improve economic efficiency, and maintain sustained, fast-speed and healthy growth of the national economy.

To this end, it is imperative to expand the rural economy, invigorate major state-owned enterprises, and strengthen and improve macro-economic controls, he said.

On restructuring China's economy, Premier Li Peng said that the central tasks for this year are to establish a sound macro-economic control system, with focus on taxation system and finance, push ahead with price reforms in a steady manner and establish a modern enterprise system that tallies with the socialist market economic structure.

He called for efforts to handle well the relations among reform, development and stability, saying that economic development is the focus of all work while reform provides the powerful motive force to social and economic development and stability is the prerequisite for development and reform.

He urged active but cautious steps to promote reform and make substantial progress in key areas by seizing the opportune moment.

The Chinese premier said that the Communist Party of China is competent in doing ideological and media work, which provides support to and ensures the success of revolution and economic development.

He expressed the hope that units doing ideological work and the mass media, which have played an important role in reform and opening and modernization drive, would provide a correct guide to the public opinion and better serve the country's efforts of reform, opening and modernization.

He stressed that news coverage must be complete, objective and accurate and must guard against one-sidedness.

Li Peng urged the government departments at all levels to attach importance to and support those doing ideological work and mass media, provide them with necessary working conditions and help solve their real difficulties.

Present at the conference were Zhu Rongji, Ding Guangen, Li Lanqing, Li Tieying, Qian Qichen, Wei Jianxing, Wen Jiabao and Ren Jianxin.

Li Peng Writes ZHONGGUO GAIGE BAO Inscription

*HK2601062194 Beijing RENMIN RIBAO in Chinese
15 Jan 94 p 4*

[Report: "ZHONGGUO GAIGE BAO Begins Publication; Li Peng Writes Inscription"]

[Text] ZHONGGUO GAIGE BAO [CHINA REFORM NEWSPAPER], a comprehensive newspaper whose main role is to propagandize reform and opening up, started publication in Beijing on 12 January.

Li Peng, member of the CPC Central Committee Political Bureau Standing Committee and premier of the State Council, wrote an inscription to congratulate ZHONGGUO GAIGE BAO on its founding: "Emancipate the mind, seek truth from facts, and make ZHONGGUO GAIGE BAO a success."

The first issue of this newspaper carried an article entitled "Congratulations and Hope," written by Li Tieying, member of the CPC Central Committee Political Bureau, state councillor, and minister of the State Commission for Restructuring Economic System. The article said: "Reform is a pioneering undertaking. And ZHONGGUO GAIGE BAO must be run in the spirit of reform. The structure must be an original one, the concepts must be updated, and the methods must be innovative. With all these, newspapers will develop amid competition and grow on the basis of a new mechanism."

Hu Jintao Addresses Party School Graduation

OW2601064194 Beijing XINHUA Domestic Service in Chinese 0832 GMT 17 Jan 94

[By Central People's Broadcasting Station reporter Li Tao (2621 3447) and XINHUA reporter Liu Siyong (0491 1835 2254)]

[Text] Beijing, 17 Jan (XINHUA)—Speaking today at the Central Party School's commencement ceremonies, Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee, member of the CPC Central Committee Secretariat, and president of the Central Party School, pointed out: In accelerating the pace of establishing a socialist market economic structure, we should, on the one hand, promote the spirit of advancing despite difficulties and working unflinchingly in order to firmly push forward reform. On the other hand, we should adopt a rigorous, realistic, and scientific attitude, proceed from reality, and promptly uncover and solve salient problems as we move forward.

Attending the commencement ceremonies were 1,964 students from the Central Party School's 21st advanced studies class for cadres at the prefectural and departmental levels, the school's theoretical department, and its branches at the CPC Central Committee's Work Committee for Party Organs, the CPC Central Committee's Work Committee for Government Organs, and military units.

After fully affirming the students' academic achievements, Hu Jintao pointed out: The year 1994 is very crucial to our country's future process of reform and development. This year's tasks are heavy and arduous. We must strengthen leadership, consider the overall situation, and mobilize all positive factors to ensure the implementation of various major central policy decisions. He pointed out: A major issue to which the entire party, especially leading cadres at all levels, must attach importance, and which it must endeavor to solve, is how to maintain rapid and good development of the national economy and ensure the smooth implementation of all reform measures while safeguarding political stability.

In his speech, Hu Jintao said emphatically: We should strengthen ideological and political work in the course of reform to provide a spiritual driving force and an ideological guarantee of reform, opening up, and the establishment of a socialist market economic structure. He said: Leading cadres at all levels must carry forward the party's fine tradition and work style, go deep among the masses, carry out mass propaganda, and address and solve thorny and intensely discussed problems of common concern to the people. Along with the introduction of major reform measures, we should concentrate on carrying out propaganda and explanatory work and on guiding public opinion in order to dispel people's misgivings, defuse contradictions, and mobilize the broad masses of people to support and participate in reform. We should integrate ideological and political work with the solution of people's practical problems, foster close ties with the masses, listen to their views, understand popular sentiment, show concern for people's sufferings, base our actions on the masses, and strive to tailor our policy decisions and measures to the wishes of the broad masses of the people. Furthermore, we should foster correct ideals, beliefs, and values, and vigorously promote the arduous pioneering spirit of the new period, in all segments of society, especially among the younger generation.

Hu Jintao also expressed his views on the questions of thoroughly studying and mastering Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; correctly handling the relationship between reform, development, and stability; and earnestly strengthening and improving party building. In closing, he expressed the hope that the students would take their group studies in the Central Party School as a new starting point from which to improve their on-the-job studies, form the good habit of studying hard and thinking deeply, apply constantly what they have learned to the practice of reform and modernization, conduct investigations and studies, sum up their experiences and improve their work, and enhance their capacity for studying new circumstances and solving new problems.

Wang Jialiu, executive vice president of the Central Party School, chaired the commencement ceremonies. Attending the ceremonies were Wei Jianxing, member of the CPC Central Committee Political Bureau and Secretariat, and responsible individuals from relevant departments such as Zhao Zongnai, Liu Yunshan, Zheng Keyang, Chen Fujin, Lu Shiche, Wang Yiping, Su Xing, Xing Benshi, and Liu Shengyu.

Li Lanqing Remarks During Zhejiang Inspection Noted

OW2501140294 Hangzhou ZHEJIANG RIBAO in Chinese 8 Jan 94 pp 1, 4

[XINHUA special dispatch for ZHEJIANG RIBAO by reporter Luo Guojun (7482 0948 7486): "Li Lanqing Inspects Zhejiang, Stressing Need for Cadres at All Levels To Meticulously Organize To Ensure Smooth Progress of Reform"]

[Text] "The series of major economic reform measures promulgated this year are important steps toward the goal of establishing a socialist market economic structure laid down at the 14th national party congress. Reform is currently in a stage of overcoming the strategic barrier. We must pay special attention to social stability. We must stabilize commodity prices, successfully combat corruption, promote clean government, and control investment in fixed assets to create a favorable external environment for reform. Local authorities must carry out meticulous organization and study, promptly resolve new problems appearing in the course of reform, reduce risks, and work with one heart and one mind to ensure the smooth progress of reform." This statement was repeatedly and emphatically made by Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, during his recent inspection tour of Zhejiang.

From 4 to 7 January, Li Lanqing, accompanied by Secretary Li Zemin of the Zhejiang provincial party committee and Governor Wan Xueyuan, inspected Zhejiang to find out about its grain and edible oil prices, market supply, education reform, and fight against smuggling.

During his stay in Zhejiang, Li Lanqing made a special point of hearing the work report of Zhejiang's provincial party committee and government. He pointed out: Zhejiang's general situation is very good. The province has made notable progress in its work in all areas. Achievements in its economic relations and trade with foreign countries are particularly impressive, with a growth rate among the highest in the nation. It is very hopeful that the goal of achieving a level of comfortable living may be attained ahead of schedule.

After an in-depth investigation, study, and tour of Hangzhou, Shaoxing, and Ningbo cities, Li Lanqing said: With the promulgation of new measures for comprehensive reform, we must pay particular attention to inflation. The key here is to control price changes within a range tolerable to the broad masses. There has been quite a large fluctuation in the price of grain, edible oil, and vegetable. The State Council has adopted a number of measures to cope with it. Localities should also sacrifice some of their immediate, partial interests and adopt macroeconomic regulation and control to bring to a reasonable level the prices of commodities closely related to the daily life of the masses, thereby creating a stable social environment for reform.

Li Lanqing said: In the course of developing the economy, we must not blindly build development zones. In building approved development zones, we must pay attention to integrating them with the renovation of old cities and enterprises. In building small towns in rural areas, we must coordinate their planning with the development of a type of farming that provides high yields of fine quality with maximum efficiency, and with the second take-off of our rural work. We must guard against decrease in agricultural output and safeguard the development of "vegetable basket project." As long as we have abundant agricultural

produce and sideline products, we will not be thrown into panic, and things will be easier to handle.

During his inspection, Li Lanqing visited Hangzhou's Moganshan Vocational High School, Xuejun Middle School, Hangzhou University, and Zhejiang University, as well as held a discussion meeting on educational reform with responsible persons of 22 institutes of higher learning.

Li Lanqing asked leading cadres at all levels to truly enhance their understanding on "respecting teachers and attaching importance to education." He said: Educational work was discussed rather comprehensively and thoroughly in 27 chapters in Volume 3 of the *Selected Works of Deng Xiaoping*. We should earnestly study, understand, and practice the teaching. The saying "education is fundamental for a program of lasting importance" should not be taken as merely an empty slogan, but should be used for mobilizing the entire party, society, and people to show concern, support, and participation in educational undertakings. Li Lanqing expressed his appreciation to Zhejiang provincial party committee for its decision "not to delay payment of teachers' salaries and not to issue IOU's to farmers."

Li Lanqing pointed out: Further upgrading teaching quality and school efficiency are the two key issues in current reform for higher education. Speaking on the placement of institutes of higher learning on the "211" project, he stressed: It is not necessary to rush into making an evaluation as this is a development process. Apart from standards stipulated by the State Education Commission, institutes of higher learning should meet the following three criteria: First, institutes of higher learning of any province (city) that has not implemented basic education efficiently or not even paid teachers' salaries cannot be placed on the "211" project. Second, institutes of higher learning that have not undertaken major reform measures cannot be placed on the "211" project. Third, institutes of higher education should be encouraged to supplement one another with their strengths and jointly establish the "211" project.

While holding a discussion meeting in Ningbo, Li Lanqing spoke predominantly on vocational education. He said: While implementing educational reform, we should ask the people not to merely seek a higher college entrance rate and advise students not to confine themselves anymore to the difficult path of seeking entrance to colleges. We should advise them to embark on vocational education, a "broad and sunny avenue" which will provide them with equal opportunities to become qualified personnel and contribute to society. He expressed the hope that, through the development of vocational education, Ningbo City would actively explore a new avenue for training qualified personnel urgently needed in economic development and reform and opening up. He was pleased at Ningbo City's efforts in implementing the "Teachers' Law" and active research in measures for solving teachers' housing problem. He encouraged the city to make a resolution on accomplishing its tasks effectively.

On the issue of compulsory education in rural areas, Li Lanqing stressed the need to work out a comprehensive program to incorporate agricultural science and technology into the nine-year compulsory education so as to train a new generation of peasants who are better educated than their parents. During his inspection of Zhejiang, Li Lanqing also called on customs office employees in Hangzhou. He told them: The Zhejiang provincial party committee and government have paid keen attention to, and followed a correct ideological line in understanding anti-smuggling work. From now on we should strengthen ideological education on the need to crack down on smuggling among the grass-roots cadres. We should tackle smuggling in the light of fighting corruption and promoting clean government, and should teach grass-roots cadres to develop local economy and achieve prosperity through earnest operation, not by engaging in smuggling.

Li Lanqing said: We have already checked the spread of the evil wave of smuggling, and the country as a whole is relatively quiet. However, we should never lower our guard. Antismuggling is a protracted task. It is necessary to persistently and relentlessly crack down on smuggling activities once they are discovered. Meanwhile, we should strive to achieve periodic results in fighting smuggling in various fields: 1) we should raise the awareness of anti-smuggling among leaders and ordinary people alike; 2) we should resolutely curb smuggling and trading of smuggled goods; 3) we should step up efforts to investigate and punish major and serious cases; and 4) all departments concerned should coordinate with each other to improve comprehensive management. Efforts should be made to resolutely implement the principle of "on-the-spot arrests, coastal blockade, road checks, market supervision, and severe punishment" in dealing with smuggling activities and smugglers.

In conclusion, Li Lanqing said: As the reform has entered a crucial stage in all fields, all localities should study issues related to the change of operational guidelines and mechanisms of commercial circulation and foreign trade enterprises. State-owned commercial departments should develop a commercial chain system comprising both enterprise groups and wholesale and retail businesses. It is necessary to actively experiment with the modern enterprise system among foreign trade enterprises in a bid to strengthen their cohesive power, initiate perfect incentive and supervisory systems, prevent the drain of talented people, ensure more foreign exchange earning, and increase economic efficiency, thereby enabling the foreign trade industry to keep abreast of the development of a socialist market economy as quickly as possible.

Li Tieying Inspects Guizhou, Views Development
OW2601113094 Beijing XINHUA Domestic Service in Chinese 0931 GMT 16 Jan 94

[By XINHUA reporter Li Xin Yan (2621 2450 1750) and RENMIN RIBAO reporter Hu Yueping (5170 6460 1627)]

[Text] Guiyang, 16 Jan (XINHUA)—During his recent investigation and study tour of Guizhou, Li Tieying,

member of the CPC Central Committee Political Bureau, state councillor, and minister in charge of the State Economic Restructuring Commission, emphatically said that as China has entered a new period of accelerating reform and economic development, it is necessary to conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics in light of realities in Guizhou, have a profound understanding of the blueprint and overall framework adopted at the Third Plenary Session of the 14th CPC Central Committee, and try to carry them out by emancipating the mind, seeking truth from facts, and undertaking bold exploration so as to find out a way to prosperity which is practical to the people of an inland province.

Li Tieying went to Guizhou to conduct investigation and study from 12 to 15 January. He went down to such grass-roots units as plants, rural areas, grain depots, and development zones in Zunyi, Anshun, Guiyang, and other places to understand conditions there. He also held discussion meetings with responsible persons of provincial party committee, government, and departments concerned. He fully affirmed the results achieved by Guizhou province since the Third Plenary Session of the 11th CPC Central Committee. He said: Tremendous changes have occurred in Guizhou over the past 15 years of reform. In 1987, it doubled its industrial and agricultural output value. It is expected that the province will redouble its industrial and agricultural output in 1996 so as to enable it, an inland province with protracted backwardness in economy, to make remarkable progress. This is a result of long-term struggle of 34 million people of all nationalities under the leadership of provincial party committee and government. He expressed his hopes that Guizhou will continue to emancipate the mind, undertake bold exploration, and further accelerate the pace of reform and opening to the outside world.

After reviewing the course of China's reform and opening up to the outside world in the past 15 years and also summing up China's experiences in this respect, Li Tieying pointed out: Whenever a locality has done a good job in emancipating its mind, it will do well in reform and development. There may be differences in geographical environment, natural resources, and the pace of economic development between the hinterland provinces and the coastal areas, but there should not be differences in matters of emancipating the mind, changing old concepts, and seeking truth from facts. He who has emancipated his mind will be able to proceed from reality to understand the conditions in a province and a region, as well as the conditions of the masses, will cast away many ideological shackles and conventions, will draw on the experiences of developed areas, and create new experiences in line with reality, thereby fundamentally reforming the old system that has prevented the development of the productive forces and promoting local economic development. Various major reform measures will be introduced this year. I hope the provincial party committee and the provincial government will study them carefully and ensure their meticulous and smooth implementation.

Li Tieying stressed: Our reform tasks are extremely arduous. They will not only bring pressure but also provide us with opportunities. The hinterland provinces should be good at seizing the opportunities, make good use of their advantages, deepen the reform, open wider to the outside world, and accelerate economic development. He said: Although Guizhou is not situated along the Chang Jiang, the coast, and the border, it has, what Premier Zhou Enlai used to praise, beautiful mountains and rivers, pleasant weather, rich natural resources, and hard working people. Although Guizhou is the only agricultural province without a plain, 97 percent of its hilly areas possess rich resources. It should make great efforts to exploit resources from its hilly areas. Li Tieying expressed great interest in Guizhou's rich mineral and energy resources and its unique tourism resources formed by its beautiful typical karst landform and strong ethnic flavor. After inspecting the Anshun Wax Printing General Plant, he spoke highly of wax printing, a manual printing technology employed by the ethnic minorities since ancient times. In a happy mood he wrote an inscription which reads: "The flower of art has lasted thousands of years, while the ethnic treasure is still surprisingly beautiful." He expressed the hope that Guizhou's wax printing will be quickly made into colorful serial products to be marketed domestically and internationally.

In discussing the reform of the administrative system for grain, Li Tieying said: It is necessary to pay close attention to and be cautious in the reform of this system. This reform should be regarded as a major reform and should be carefully studied. At present, what is most important is to do everything possible to stabilize grain prices and to make concerted efforts to ensure a bumper harvest this year.

As the Spring Festival is approaching, Li Tieying expressed the hope that the governments and departments at all levels will carefully make arrangements for market supply in order to enable the masses, particularly those in poor areas, to enjoy a happy Spring Festival.

Ismail Amat Urges Unity in Religious Work

OW2601004794 Beijing XINHUA Domestic Service in Chinese 0643 GMT 12 Jan 94

[By reporter Jia Fenyong (6328 1164 0516)]

[Text] Beijing, 12 Jan (XINHUA)—The National Conference of Heads of Religious Bureaus opened today in Beijing. Attending the meeting were some 100 people from religious departments in provinces, autonomous regions, and municipalities, and responsible comrades from relevant CPC Central Committee and state organs.

State Councillor Ismail Amat spoke at the meeting. He said: Correct handling of religious affairs and doing a good job are an important part of building the great cause of socialism with Chinese characteristics, which has an important significance in maintaining social stability; enhancing national unity; and promoting reform and opening up. Reform and opening up bring great changes to society and to the people's spiritual outlook, and provide a favorable social environment for doing a good job in

religious affairs. At present, religious affairs work faces many new situations and problems. To do a good job under the new situation, it is necessary to seriously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; to resolutely implement guidelines set forth at the 14th CPC National Congress and Third Plenary Session of the 14th CPC Central Committee; to incorporate the party's basic line into the real practice of religious affairs work; and to handle various day-to-day religious affairs work in strict accordance with the state's relevant laws, regulations, and policies. At the same time, it is necessary to attach great importance to unity in religious affairs work. We must forge unity between the masses of believers and nonbelievers, between the masses of different religions, and among those who believe in the same religion; we must be united, be of one heart and one mind, strive for common progress, and for building a modern socialist state.

Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and head of the United Front Work Department under the CPC Central Committee, and deputy secretary general of the State Council Xi Dehua attended today's plenary session. Zhang Shengzuo, director of the State Council's Bureau of Religious Affairs, delivered a work report; deputy director Chi Nai presided over the meeting.

Beijing Sentences 18 To Death for 'Violent Crimes'

OW2601085394 Tokyo KYODO in English 0831 GMT 26 Jan 94

[Text] Beijing, Jan. 26 KYODO—Eighteen people were sentenced to death for crimes ranging from murder to robbery and rape, as violent crimes in China's capital continue to increase as the economy develops, Chinese state press reported Tuesday [25 January].

According to the BEIJING DAILY [BEIJING RIBAO], the 18 were sentenced by the Beijing Intermediate Court on Monday in what is believed to be one of the largest instances in Beijing of a group of convicted criminals receiving death sentences in recent memory.

Twelve of those sentenced will appeal while the other six were executed immediately, the paper said.

Many of those sentenced were unemployed or outsiders who had migrated to the capital, while five of the convicted were part of a group which committed several armed robberies in 1991-92, the paper said.

XINHUA Cancels Item on Social Order Conditions

OW2601014794 Beijing XINHUA Domestic Service in Chinese 0730 GMT 25 Jan 94

[Article by RENMIN RIBAO reporter Wang Suning (3769 5685 1337) and XINHUA reporter Zhang Yinshu (1728 6892 2562); Beijing XINHUA Domestic Service in Chinese at 1110 GMT on 25 January transmits a service message canceling the following item]

[Text] Beijing, 25 Jan (XINHUA)—Zhu Jiahua [2612 1367 5478], director of the Public Security Administrative Bureau of the Ministry of Public Security [name and title as received], said today that the current condition of social order in the vast majority of localities throughout the country is fine [liang hao 5328 1170], except for a few.

Not long ago, an assessment and review carried out by the relevant authorities on the conditions of social order in various localities substantiates Director Zhu Jiahua's evaluation. Results of the assessment and review show that, while social order in 67 percent of over 1,700 counties nationwide is good, 20 percent and 4 percent have been classified as general [yi ban 0001 5301] and not good [bu hao 0008 1170], respectively.

This information was disclosed by Zhu Jiahua at a discussion meeting held at the Ministry of Public Security today. He said: To improve social order, the integration of the professionalism of public security organs and work relating to mass relations is necessary, under which the public security organs, while intensifying the crackdown on crime, should improve services for the masses.

About a dozen people, including Shen Zui [3088 6816], a member of the National Committee of the Chinese People's Political Consultative Conference; Jiang Kun [1203 2492], a renowned comic actor; Fei Lulu [6316 6424 6424], president of the China Youth Education Research Center; responsible persons of enterprises; and heads of Neighborhood Offices, attended the discussion meeting, and contributed suggestions and ideas to help public security organs improve social order.

Plan To Boost Employment of Ex-Convicts Announced

OW2601115694 Beijing XINHUA in English 1138 GMT 26 Jan 94

[Text] Beijing, January 26 (XINHUA)—China is taking a series of vigorous measures to boost employment of former convicts, so as to give them equal opportunities to work.

Preferential policies will be granted to short-term firms which mainly employ ex-convicts, according to a senior official of the Labor Ministry.

Those enterprises will be entitled to priorities and government support in terms of loans, sites, bidding, as well as leasing of other firms, said Zhang Xiaojian, director of the ministry's Employment Department, in an exclusive interview with XINHUA here today.

The move highlights China's bid to care for ex-convicts—in work and living conditions—and it will also help to maintain social stability. The Chinese Government has always urged that ex-convicts should be provided equal opportunities in employment.

Zhang stressed that on no account should any enterprise discriminate against ex-convicts in employment, adding that those which violate the regulations will be prosecuted.

According to Zhang, China has established a unified and coordinated system in creating jobs for ex-convicts, including job-training and unemployment insurance provided for them.

China has already achieved marked results in this endeavor, said the official. On average, over 90 percent of the ex-convicts in Beijing are employed every year. In the cities of Shanghai and Guangzhou, the employment rates of ex-convicts are 64 percent and 72 percent respectively.

Journal BAN YUE TAN To Expand in 1994

OW2101041594

[Editorial Report] Issue No. 24 of 1993 of Beijing BAN YUE TAN in Chinese published on 25 December 1993 carries a 650-character message from the editorial department announcing that the journal will expand in 1994.

According to the message, it will specifically strengthen its columns "Forum by Authoritative Persons" and "Trends at High-Level"; introduce a new column "Special Articles of the Journal," which will mainly carry "exclusive articles of major news value"; replace "Illustrated Report" with "Faithful Portrayal With Pictures and Words," which will highlight social news principally with pictures; reinstate "Current Events for Middle School Students," which will be "laid out with meticulous care"; and introduce a new column "Talks on the Domestic and Foreign Situation," which will "periodically give an overview-type roundup on international and domestic events."

In summing up the expansion plan, the message says it will "produce articles with distinctive features and seek to be innovative while carrying on the tradition."

Correction to 'Peace Charter' Signatory Item

HK2601031694

The following correction pertains to the item headlined "'Peace Charter' Signatory Receives 2-Year Sentence," published in the Political & Social section of the 25 January China DAILY REPORT, pages 25-26:

Page 25, column two, first paragraph of item, from beginning of first sentence, make read: [Excerpts] Bei Ling, a Chinese poet who holds a U.S.... (correcting processing indicator of item)

Same column, third paragraph of item, second sentence, make read: ...Famous Chinese writer Bin Xin was invited to be.... (correcting name)

Economic & Agricultural

Editorial on Infrastructure Construction To Be Run

OW2601123794 Beijing XINHUA in English 1225 GMT 26 Jan 94

[Text] Beijing, January 26 (XINHUA)—The PEOPLE'S DAILY [RENMIN RIBAO], in an editorial to be published tomorrow, stresses the importance of speeding up infrastructure construction according to China's capabilities.

While acknowledging that infrastructure construction is booming all over the country, the editorial warns against the tendency in some localities of paying no heed to objective conditions, neglecting economic returns and blindly seeking big projects and construction speed.

It criticizes some areas for failing to implement a national unified construction plan, undertaking redundant projects and over-extending the construction scale.

"These malpractices are detrimental to the healthy cultivation of a socialist market economy, the rational distribution of natural resources, the display of comprehensive economic returns and the coordinated growth of China's economy as a whole, and even have damaged national interests," the editorial says.

The country's leading newspaper also stresses the importance of seeking truth from facts in doing everything. "In doing so, we must do everything in our power, and more importantly act according to our capabilities," it points out.

The undertaking of major infrastructure projects is crucial to the overall distribution of the national economy and the overall supply-demand balance of the macro-economy, it says.

That is why it is imperative to subject these projects to a national unified construction plan, it adds.

In undertaking infrastructure projects, it is also necessary to pay close attention both to social efficiency and economic returns, the editorial says.

Everything possible must "be done to step up the construction of those infrastructure facilities badly needed to spur China's economic growth, it stresses.

However, it is also necessary to build such facilities in an orderly and step-by-step way, it adds.

With a relatively low level of economic development, China will face the problem of insufficient financial resources and supply shortages of materials for a long time to come, it says.

"Therefore, we ought to concentrate on the construction of top-priority infrastructure facilities, while doing our best to prevent waste resulting from redundant and blind construction," it says.

Officials Warn Firms To Renew Trademarks

HK2501070594 Beijing CHINA DAILY in English 25 Jan 94 p 1

[By Ma Zhiping: "Companies Required To Renew Their Trademarks"]

[Text] Officials yesterday warned companies that they must renew their trademarks before they expire.

Companies that do not meet the deadline will have their trademarks invalidated, said an official in charge of the country's trademark registration.

A large number of Chinese companies have failed to renew their property rights according to the Trademark Law.

"More than 85,000 trademarks passed their 10-year legal validity term last March, and about 50,000 owners failed to apply for re-registration by last September," said the official, who refused to be named.

Expired trademarks become nullified after 10 years and are no longer protected by law.

The official urged companies to reregister their trademarks as soon as possible before use of them becomes illegal.

According to the Chinese Trademark Law, issued in 1983, a registered trademark is valid for 10 years, and re-registration is required six months prior to the expiration date. A grace period of six months after the expiration date is permitted, though firms that delay must pay a fine.

"Trademarks that are not re-registered become illegal and products bearing the marks will no longer be allowed to be sold," the official said.

The official added that many companies, especially those in rural areas, have stopped using their trademarks without informing the government.

Experts have also attributed the failure to re-register on poor trademark management and uninformed owners.

They urged enterprises to check the expiration date of their trademarks and re-register immediately if they are overdue.

In the first nine months of last year, the State administration and its local branches handled 27,000 cases of trademark infringement, statistics show.

And as of last September, the bureau said there were 395,000 authorized trademarks in the country. Domestic firms accounted for 340,000, and foreign firms—from Kodak of the US to Sony of Japan—accounted for 55,000.

The administration has set up 63 branch offices nationwide to handle trademark registration.

More Domestic Firms To List Stock Overseas

HK2501070794 Beijing CHINA DAILY in English 25 Jan 94 p 2

[By Ren Kan: "More Firms To List Stock Abroad"]

[Text] More domestic enterprises are expected to be listed on overseas securities exchanges this year in a move to draw more foreign capitals into China.

Most will appear on the Hong Kong Stock Exchange, said Zhu Li, a spokesman of the China Securities Regulatory Commission (CSRC).

The others will be listed on US securities exchanges or in other countries.

These large State-owned enterprises will mainly come from the field of energy, transportation and telecommunications.

Some of them need capitals to conduct technical renovation, he said. To attract overseas investors, they must be profitable and have promising development potentiality.

Zhu said new overseas-listed firms this year would not issue A shares in the domestic securities market.

This is not expected to result in too much pressure on the domestic market, which has been complaining about the over-expansion of listed firms.

China last year chose nine companies to be listed on the Hong Kong exchange.

To date, six companies are actually listed on the Hong Kong exchange. They are Shanghai Petrochemical, Qingdao Brewery, Guangzhou Shipyard, Beiren Printing Machinery, Kunming Machine Tool, and Maanshan Iron and Steel.

Another three are expected to be listed on the overseas market during the first half of this year. They are Dongfang Electric Company, Tianjin Bohai Chemical, and Jiangsu Yizheng Chemicals.

The overseas listing of domestic firms is an effective way to raise foreign capital, it helps Chinese firms transform their operations into real shareholding firms.

Before they enter the international market, domestic firms have to change their accounting system to meet international standards.

And they usually get help from foreign banks, securities firms, law firms and accounting firms.

To ensure smooth sailing of the new overseas listings, CSRC and Hong Kong Stock Exchange will jointly sponsor a seminar in Wuhan, Hubei Province, on Wednesday.

Some related institutions will introduce the procedures of listing in Hong Kong. And the already-listed firms will explain their experiences.

Earlier this month, CSRC Chairman Liu Hongru and the head of the Hong Kong exchange went to the United States and Britain to talk about the Hong Kong and mainland securities market.

In another development, CSRC yesterday published a circular to standardize the annual financial reports of listed companies.

Ministry To Issue Paperless Treasury Bonds

HK2501070994 Beijing CHINA DAILY in English 25 Jan 94 p 2

[By Liu Weiling: "China To Issue New Paperless Treasury Bonds"]

[Text] China is in the process of issuing half and one-year-term paperless treasury bonds in a move to finance key construction projects.

According to sources from the Ministry of Finance, the half-year-term bonds will carry an annual interest rate of 9.8 per cent and the interest will be counted starting January 25.

The annual interest rate for the one-year treasury bonds will be 11.9 per cent. The interest will be counted as of February 7.

Meanwhile, the paperless bonds are also expected to be traded on the Shanghai Securities Exchange after the conclusion of the issuance, which will be January 30 for the half-year bonds and February 7 for the one year.

Underwriters of the bonds are securities companies, trust and investment companies and banks.

Paperless treasury bonds refer to transactions conducted entirely through computer systems.

Such bonds generally are sold to institutional buyers and individual investors who plan big investments in this field.

Officials said most of the buyers of this year's paperless treasury bonds will be banks and other financial organizations. However, other institutions and individuals who want to buy at least 10,000 yuan (\$1,149) worth of treasury bonds can also purchase the bonds through under writers.

China began to issue paperless treasury bonds in 1991 on an experimental basis. In that year, a total of 1.1 billion yuan (\$126.4 million) treasury bonds were issued.

Last year, China issued 3.6 billion yuan (\$413.8 million) in five-year paperless treasury bonds.

Officials from the Ministry of Finance said the issuance of paperless treasury bonds represents one of the important measures the ministry took this year to reform the issuance of treasury bonds.

He also said a certain amount in paper treasury bonds will be issued within the year to meet the demand of individual investors.

The paper treasury bonds will carry interest rates higher than bank deposits of the same term.

In other developments, Wei Wenyuan, General Manager of the Shanghai Securities Exchange, said the exchange will be built to be the country's only paperless trading and clearing centre.

He said Shanghai will make special efforts to develop the treasury bond market this year to make the exchange not only the country's biggest stock market but also the biggest treasury bonds market.

Beijing Radio To Broadcast Investment Lectures

OW2401202594 Beijing XINHUA Domestic Service in Chinese 1205 GMT 12 Jan 94

[Text] Beijing, 12 Jan (XINHUA)—The Central People's Radio Network will carry on Program No. 2 a "lecture on

the concept and techniques of stock market investing" from 2030 to 2040 [1230-1240 GMT] every Sunday beginning on 16 January.

The lecture is cosponsored by the "Stock Market" program of the network's news center, the Beijing Xinlande securities investment consulting company, and Japan's Murano securities company. There will be 10 lectures with both practical and specialized contents, with an emphasis on practical usefulness, dealing with the risks of investing in the stock market, techniques of the stock market industry, and countermeasures against the stock market's sharp fluctuations.

NPC-Adopted Company Law Transmitted

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["The Company Law of the People's Republic of China"—XINHUA headline]

[Text] Beijing, 30 Dec (XINHUA)—The Company Law of the People's Republic of China

(Adopted at the Fifth Session of the Standing Committee of the Eighth National People's Congress on 29 December 1993)

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Chapter I General Provisions

Article 1 This law is formulated in accordance with the constitution with a view to meeting the needs of establishing a modern enterprise system; instituting norms for the organization and activity of companies; protecting the legitimate rights and interests of companies, shareholders,

and creditors; safeguarding social and economic order; and promoting the development of a socialist market economy.

Article 2 Companies in this law refer to limited liability companies and limited liability stock companies established in the territory of China in pursuance with this law.

Article 3 Limited liability companies and limited liability stock companies are enterprise legal entities.

The shareholder of a limited liability company only shoulders limited liability for the company's debts according to the amount of his capital investment.

The total assets of a limited liability stock company are divided into equal-value shares [deng e gu fen 4583 7345 5140 0118]. The shareholder's liability is limited to the share he possesses and the company is liable for its debts with its total assets.

Article 4 The shareholders of a company enjoy, commensurate with their share of capital investment, their rights and interests as part owners, that is, the right of dividend and the right to take part in strategic decisions and choice of managers.

The company, as a legal entity, has the rights over all its assets formulated by the investment of shareholders and enjoys rights and shoulder responsibilities under civil law.

Ownership of the state assets of a company belongs to the state.

Article 5 The company uses all the resources to which a legal entity is entitled to conduct management independently and shoulders sole responsibility for gains and losses.

Under macro-control by the state, the company organizes production and management according to market demand and aims at raising the productivity of labor, increasing the economic returns of the company, and maintaining and increasing the value of its assets.

Article 6 The company shall practice an internal management mechanism which clearly defines its rights and responsibilities, conforms to scientific management, and combines incentives and restraints.

Article 7 When a state-owned enterprise is changed into a company, it shall—in accordance with the conditions and requirements set forth by laws and administrative rules—change its operating mechanisms, gradually make an inventory of its assets, define the property rights, clarify debts receivable and debts payable, evaluate its assets, and establish standard internal management organs.

Article 8 Establishment of limited liability companies or limited liability stock companies shall meet the requirements set by this law. Where the requirements set in this law are met, a company can be registered as a limited liability company or limited liability stock company; where the requirements set in this law are not met, a company cannot be registered as a limited liability company or limited liability stock company.

Where laws or administrative rules require examination and approval for the establishment of a company, it shall go through the examination and approval procedures according to law before applying for registration as a company.

Article 9 A limited liability company established according to law shall clearly indicate the words "limited liability company" in its name.

A limited liability stock company established according to law shall clearly indicate the words "limited liability stock company" in its name.

Article 10 The location of its main office shall be the address of a company.

Article 11 Articles of association shall be formulated in accordance with this law when a company is established. The articles have binding power over the company, its shareholder, its directors, supervisors, and managers.

The company's scope of business shall be set in the articles of association and registered according to law. Approval shall be obtained according to law for items in the company's scope of business operations that are subject to restrictions by laws or administrative rules.

The company shall conduct its business activities within the registered scope of business. Where the company revises its articles of association in accordance with legally prescribed procedures and goes through the procedures for the change of registration with the company registration authority, it may change its scope of business.

Article 12 The company may invest in other limited liability companies or limited liability stock companies and shoulders limited liability for the debts of the company receiving the investment according to the amount of its capital investment.

When a company—with the exception of investment companies and holding companies authorized by the State Council—invests in other limited liability companies or limited liability stock companies, the accumulated total investments in these companies shall not exceed 50 percent of its own net assets. Additional investment in the form of reinvesting the profits is not subject to this restriction.

Article 13 The company may set up branches. Branches do not have the status of an enterprise legal entity and their civil responsibilities are assumed by the company.

The company may set up subsidiaries. Subsidiaries have the status of an enterprise legal entity and assume independent civil responsibilities according to law.

Article 14 A company shall abide by law and professional ethics, promote socialist spiritual civilization, and accept supervision by the government and public in its business activities.

The legitimate rights and interests of a company are protected by law and are inviolable.

Article 15 A company shall protect the legitimate rights and interests of its staff members and workers, strengthen labor protection, and work for safety in production.

A company shall provide vocational training and on-the-job training in various forms for its staff members and workers.

Article 16 The staff members and workers of a company shall form a union in accordance with law to conduct union activities and protect the legitimate rights and interests of the staff members and workers.

A wholly-owned state company and a limited liability company established by two or more state-owned enterprises or primarily state-owned investors shall—by way of the workers' congress or other forms—practice democratic management in accordance with the provisions of the constitution and relevant laws. The company shall provide the necessary conditions for the union to carry out its activity.

Article 17 The activities of CPC groups in companies shall be carried out in accordance with the CPC charter.

Article 18 This law shall apply to limited liability companies with foreign investment. Where otherwise provided by the laws and regulations, those laws and regulations shall apply to Sino-foreign joint ventures, Sino-foreign cooperative ventures, and foreign-funded enterprises.

Chapter II The Establishment and Organizational Structure of Limited Liability Companies

Section 1. Establishment

Article 19 The following requirements shall be met in establishing a limited liability company:

1. the quorum of shareholders;
2. the legally prescribed minimum investment by shareholders;
3. articles of association drawn up jointly by the shareholders;
4. the company's name and establishment of an organizational structure commensurate with the requirements of a limited liability company; and
5. permanent production and operation premises and other essential conditions of production and operations.

Article 20 A limited liability company is set up with the joint investment of at least two and not more than 50 shareholders.

An organization with state authorization to make investments or a department authorized by the state may become the sole investor in a limited liability company wholly owned by the state.

Article 21 A state-owned enterprise established before this law comes into effect, which meets the requirements of a limited liability company set in this law, and whose investment comes from a single source can be reorganized

into a limited liability company wholly owned by the state in pursuance with this law. Such a company with investments from several sources can be turned into a limited liability company in pursuance with Paragraph 1 of the preceding article.

Specific procedures and methods for converting a state-owned enterprise into a company shall be formulated by the State Council.

Article 22 The articles of association of a limited liability company shall include the following:

1. the company's name and location;
2. the company's scope of business;
3. the company's registered capital;
4. the names or titles of shareholders;
5. the rights and obligations of shareholders;
6. the method of investment contributed by shareholders and the amount of the investment;
7. conditions for transfer of shares by shareholders;
8. organs of the company and the methods of forming them, their functions and powers, and rules of procedures;
9. the company's legal representative;
10. particulars of the dissolution and procedures for the liquidation of the company; and
11. other provisions that the shareholders deem necessary.

The articles of association shall be signed by and have affixed to them the seals of the shareholders.

Article 23 The registered capital of a limited liability company is the total investment actually contributed by all its shareholders and registered with the registration authorities.

The minimum registered capital of a limited liability company is as follows:

1. 500,000 yuan in renminbi for a company engaged primarily in production and business;
2. 500,000 yuan in renminbi for a company engaged primarily in the wholesale of commodities;
3. 300,000 yuan in renminbi for a company engaged primarily in commodity retailing; and
4. 100,000 yuan in renminbi for a company engaged in science and technology development, consultation, and service.

Where there is a need for the minimum registered capital of a limited liability company in certain special trades to be higher than the amounts listed above, it shall be provided by others laws and administrative rules.

Article 24 Shareholders may invest money or invest physical goods, industrial property rights, nonpatented technologies, and land-use rights at their appraised value. The

physical goods, industrial property rights, nonpatented technologies, and land-use rights to be used as investment material shall be appraised to determine their values and shall be verified; there shall be no overestimate or underestimate of their values. The appraisal and determination of the value of land-use rights shall be handled in accordance with laws and administrative rules.

The amount of investment made in the form of industrial property rights and nonpatented technologies shall not exceed 20 percent of the registered capital of a limited liability company, except for the use of high and new technologies about which the state has special provisions.

Article 25 Shareholders shall pay in full the amount of the investment subscribed for as stipulated in the articles of association. Shareholders who invest money shall deposit in full the amount of money to be invested in a temporary bank account opened by the limited liability company to be established. Shareholders investing with physical goods, industrial property rights, nonpatented technologies, or land-use rights shall undertake assets-transfer procedures in accordance with the law.

Shareholders failing to pay for the amount of capital subscribed for in accordance with the preceding paragraph shall be liable for breach of contract to shareholders who have paid in full for the capital invested.

Article 26 Upon payment in full by shareholders for the capital invested, a certified capital verification office shall verify the payment and issue a certificate of capital verification.

Article 27 After the payment in full is verified by a certified capital verification office, a representative designated by all shareholders or an agent jointly entrusted by them shall apply to the company registration organ for company registration by submitting application forms for registration, articles of association, and a certificate of capital verification.

Where the approval of relevant departments is required by laws or administrative rules, the relevant documents of approval shall be submitted at the time of registration.

The company registration organ shall register a company which meets the requirements stipulated in this law and shall issue a business license to it; the company registration organ shall not register a company that does not meet the requirements.

The date of issuance of the company business license shall be the date of the establishment of the limited liability company.

Article 28 After the establishment of a limited liability company, in which the actual values of physical goods, industrial property rights, nonpatented technologies, or land-use rights used as investment material are notably less than the amount of capital prescribed in the company's articles of association, the shareholders making such

investments shall make up the difference; other shareholders at the time of the establishment shall assume joint liability.

Article 29 When branches are to be set up at the same time that a limited liability company is established, an application for the registration of the branches shall be filed with the company registration organ to obtain business licenses.

When branches are to be set up after a limited liability company is established, the legal representative of the company shall apply to the company registration organ for registration to receive business licenses.

Article 30 After a limited liability company is established, a certificate of investment by the shareholders shall be issued to them.

The certificate of investment shall specify the following:

1. Company name;
2. Company registration date;
3. Company's registered capital;
4. Name or title of the shareholder and the amount and date of capital paid;
5. The serial number and date of issuance of the certificate of investment.

The certificate of investment shall have the company's seal on it.

Article 31 A limited liability company shall have a roster of shareholders with the following information:

1. Names or titles of shareholders and their addresses;
2. The amounts of shareholders' investment; and
3. The serial numbers of shareholders' investment certificates.

Article 32 Shareholders have the right to look up records of shareholders' meetings and the company's financial and accounting reports.

Article 33 Shareholders shall draw dividends in proportion to the capital invested. Where the company increases capital, shareholders shall have priority in purchasing new shares.

Article 34 Shareholders shall not withdraw the capital invested once the company is registered.

Article 35 Shareholders may transfer all or part of the investment among themselves.

Shareholders shall not transfer investment to non-shareholders unless approved by the majority of the company's shareholders. Shareholders disapproving the transfer to non-shareholders shall purchase the shares from the shareholders offering the transfer; shareholders who fail to purchase the shares shall be regarded as approving the transfer.

Under identical terms, shareholders have priority in the purchase of shares approved for transfer from other shareholders.

Article 36 After shareholders transfer shares owned, the company shall record in the roster of shareholders the name and address of the transferee and the amount of capital transferred.

Section 2. Organizational Structure

Article 37 The shareholders meeting of a limited liability company is composed of all shareholders. The shareholders meeting is the highest organ of power of the company, and it exercises its functions and power in accordance with this law.

Article 38 The shareholders meeting exercises the following functions and power:

1. To decide on the company's management policy and investment plan;
2. To elect and recall members of the board of directors and decide on matters related to their remuneration;
3. To elect and recall members of the board of supervisors and decide on matters related to their remuneration;
4. To examine and approve reports of the board of directors;
5. To examine and approve reports of the board of supervisors or reports of supervisors;
6. To examine and approve the company's fiscal budget plan and final accounts plan;
7. To examine and approve the company's profit distribution plan and plans for covering losses;
8. To decide on increasing or reducing the company's registered capital;
9. To decide on the company's issuance of bonds;
10. To decide on the transfer of shares to non-shareholders;
11. To decide on matters related to the company's merger and break-up, change of its form, and its dissolution and liquidation;
12. To revise the company's articles of association;

Article 39 Unless otherwise provided for in this law, rules of procedure and voting methods of shareholders' meetings shall be in accordance with the articles of association.

Resolutions of shareholders' meetings on increasing or reducing the company's registered capital; on its break-up, merger, or dissolution; and on change of the company's form shall have the approval of shareholders representing over two thirds of the voting rights.

Article 40 A company may revise its articles of association. Resolutions on revising the articles of association shall have the approval of shareholders representing over two thirds of the voting rights.

Article 41 Shareholders exercise their voting right in proportion to the amount of capital invested.

Article 42 The first meeting of shareholders shall be convened and presided over by the largest shareholder, and it shall exercise its functions and power in accordance with this law.

Article 43 There shall be regular and ad hoc meetings of shareholders.

Regular meetings shall be convened according to schedule prescribed in the articles of association. Shareholders representing one fourth of the voting right and one third of the directors or supervisors may propose an ad hoc meeting of shareholders.

Where a limited liability company has set up the board of directors, the shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board. Where special circumstances preclude the chairman of the board from performing the function, the meeting shall be presided over by a vice chairman or another member of the board of directors designated by the chairman of the board.

Article 44 All shareholders shall be informed of a shareholders' meeting 15 days prior to its convening.

The shareholders' meeting shall prepare a record of decisions on matters discussed at the meeting; shareholders present at the meeting shall sign their names on the record.

Article 45 The number of the members of the board of directors of a limited liability company is to be three to 13.

The members of the board of directors of a limited liability companies invested and established by two or more state-owned enterprises or by two or more sources of state investment shall include representatives from the staff members and workers of the company. These representatives are to be democratically elected by the staff members and workers of the company.

A board of directors is to have one chairman and one or two vice chairmen who are to be elected according to the articles of association of the company.

Chairman of the board of a company is the legal representative of the company.

Article 46 The board of directors of a company shall report to the meeting of shareholders of the company and have the following functions and powers:

1. being responsible for convening shareholders meetings and making reports to the meetings on the company's work;
2. implementing the resolutions adopted by shareholders meetings;

3. deciding the company's operational and investment plans;
4. drawing up the company's annual financial budget and final accounts plan;
5. drawing up the company's profits distribution plan and plans for covering losses;
6. drawing up plans to increase or reduce the company's registered capital;
7. drawing up plans for merger and breakup, change of form, and dissolution of the company;
8. deciding on the establishment of the company's internal management organs;
9. appointing and dismissing the company's manager (general manager) (hereafter shortened as manager); and, based on the manager's recommendation, appointing or dismissing the company's deputy manager and person in charge of the company's financial affairs, and deciding on their remuneration; and
10. establishing the company's basic management system.

Article 47 The tenure of a member of the board of directors is to be stipulated in the articles of association of the company; however, each tenure must not exceed three years. After the tenure of a member of the board expires, he or she may run for reelection.

Before the tenure of a member of the board of directors expires, the shareholders meeting is not authorized to unwarrantedly dismiss him or her.

Article 48 Meetings of the board of directors are to be convened and presided over by the chairman of the board. In case chairman is unable to fulfill his or her responsibility for some reason, he or she may designate a vice chairman or a member of the board to convene and preside over the meeting. A meeting of the board may be held at the suggestion of one third or more of the members of the board.

Article 49 Unless otherwise stipulated in this law, the form of discussion and the voting procedures of the meeting of the board are to be stipulated in the articles of association of the company.

All members of the board should be notified 10 days or more before a meeting of the board is scheduled to be held.

Decisions on the matters discussed at a meeting of the board of directors shall be recorded on paper, which should be signed by all board members attending the meeting.

Article 50 The manager of a limited liability company is to be appointed or dismissed by the board of directors of the company. Company managers report to the board of directors and have the following functions and powers:

1. presiding over the company's production and business management work; organizing efforts to implement the board of directors' resolutions;

2. organizing efforts to implement the company's annual operational and investment plans;

3. drawing up plans for the establishment of the company's internal management organs;

4. drawing up the company's basic management system;

5. drawing up the company's specific rules and regulations;

6. recommending the appointment and dismissal of the company's deputy managers and persons in charge of the company's financial affairs;

7. appointing and dismissing the company's management personnel, excluding those who are to be appointed or dismissed by the board of directors;

8. other functions and powers prescribed in the articles of association of the company or delegated by the board of directors of the company.

Company managers attend meetings of the board as observers.

Article 51 A limited liability company smaller in size and in its number of shareholders may have an executive director instead of a board of directors. The executive director may serve concurrently as the manager of the company.

The functions and powers of the executive director should be stipulated in the company's articles of association with reference to Article 46 of this Law.

The executive director of a limited liability company without a board of directors is the legal representative of the company.

Article 52 A limited liability company with a fairly large-scale operation should set up a board of supervisors which should consist of at least three members. The board of supervisors should elect a convener from among its members.

The board of supervisors should be composed of representatives of shareholders and a proper number of representatives of the workers and staff members of the company; and the exact ratio should be stipulated in the company's articles of association. The representatives of workers and staff members in the board of supervisors should be elected democratically by the workers and staff members of the company.

A limited liability company smaller in size and in the number of shareholders may have one or two supervisors.

Directors, the manager, and personnel in charge of financial affairs may not serve concurrently as supervisors.

Article 53 A supervisor serves a term of three years. Upon the end of a term, a supervisor may be reelected for another term.

Article 54 The board of supervisors or the supervisors exercise the following functions and powers:

1. inspecting the company's finance;

2. supervising the behaviors of the directors and the manager to ensure that they do not violate the law, the regulations or the company's articles of association in their handling of the company's business;

3. demanding the directors and the manager to correct themselves if they are found to have hurt the company's interests;

4. proposing the convocation of an ad hoc shareholders meeting; and

5. other functions and powers stipulated in the company's articles of association.

The supervisors attend the meetings of the board of directors as observers.

Article 55 Before the company studies and decides on issues which concern the vital interests of the workers and staff members, such as their wages, welfare benefits, safety in production, labor protection, and labor insurance, it should solicit the opinions of the company's trade union and the workers and staff members, and invite their representatives to attend as observers the relevant meetings.

Article 56 When the company studies and decides on important issues concerning production and operation or formulates important rules and regulations, it should solicit opinions and suggestions from the company's trade union and the workers and staff members.

Article 57 A person facing any of the following situations is disqualified to be director, supervisor, or the manager of a company:

1. under civil disability or with limited civil capacity;
2. less than five years after serving a sentence for having committed such crimes as embezzlement, bribery, conversion of property, misappropriation of property, and disruption of social economic order; or less than five years after being deprived of political rights for having committed a crime;
3. less than three years after the liquidation of a bankrupt company or enterprise of which he or she was member of the board of directors, the plant director, or the manager and was personally responsible for the bankruptcy;
4. less than three years after the business license of a company or enterprise was revoked for violation of law, provided he or she was the legal representative of that company or enterprise and was personally responsible for the law violation; or
5. having a large amount of personal debt in arrears.

If a company elects or appoints directors or supervisors or hires a manager in violation of the stipulations in the preceding paragraphs, the election, appointment, or hiring is invalid.

Article 58 State functionaries are not permitted to serve concurrently as company directors, supervisors, or managers.

Article 59 Directors, supervisors, and the manager should abide by the company's articles of association, faithfully perform their duties, and protect the company's interests. They are not permitted to take advantage of their positions and powers in the company to seek private gains.

Directors, supervisors and the manager are not permitted to take advantage of their powers to receive bribes or other illegal income, nor are they permitted to encroach upon the company's property.

Article 60 Directors and the manager are not permitted to misappropriate company funds or lend company funds to others.

Directors and the manager are not permitted to deposit company funds in their own personal accounts or to in personal accounts of other individuals.

Directors and the manager are not permitted to use the company property as collateral for the debts of the company's shareholders or other individuals.

Article 61 Directors and managers shall not operate their own or operate for others the same category of business as the company they work, or engage in activities that harm the interests of the company. Revenues generated from engaging in the aforementioned business or activities shall belong to the company.

Except for stipulations in the company's articles of association or unless approved by a shareholders meeting, directors and managers shall not sign contracts or conduct transactions with the company.

Article 62 Unless otherwise stipulated by law or approved by a shareholders meeting, directors, supervisors, and managers shall not reveal the company's secrets.

Article 63 Directors, supervisors, and managers shall undertake compensation responsibility if they violate laws, administrative rules, or the stipulations of company's articles of association while performing company's work, and cause losses for the company.

Section 3. Wholly State-Owned Companies

Article 64 A wholly state-owned company referred to in this law is an organization authorized by the state to make investments, or a limited liability company which is wholly invested and set up by a department with state authorization.

Companies that are designated by the State Council to engage in the production of specialized products or companies that belong to the category of specialized trades should adopt the company form of wholly state-owned companies.

Article 65 Articles of association of a wholly state-owned company shall be formulated by an organization authorized by the state to make investments, or by a department

with state authorization according to this law; or, they shall also be formulated by the board of directors and be reported to an organization authorized by the state to make investments or a department with state authorization for approval.

Article 66 A wholly state-owned company shall not have a shareholders meeting. An organization authorized by the state to make investments or a department with state authorization shall authorize the company's board of directors to exercise part of the functions and powers of shareholders meetings and to decide on company's major matters. However, the company's merger, break-up, dissolution, increase and decrease of capital, and issuance of company bonds shall be decided on by an organization which is authorized by the state to make investments or by a department with state authorization.

Article 67 An organization authorized by the state to make investment or a department with state authorization shall exercise supervision and management over state assets of a wholly state-owned company according to the stipulations of the law and administrative rules.

Article 68 A wholly state-owned company shall set up the board of directors. The board of directors shall exercise functions and powers according to Article 46 and Article 66 of this law. Each term of the board of directors is three years.

The number of members of the board of directors of a company shall be from three to nine and shall be designated by or replaced by an organization authorized by the state or by a department with state authorization according to the term of the board of directors. Members of the board of directors should include representatives of the company's staff members and workers. Representatives of company's staff members and workers sitting on the board of directors shall be elected by company's staff members and workers through democratic elections.

The board of directors shall have a chairman, and vice chairmen if necessary. The chairman and vice chairmen of the board of directors shall be designated by an organization authorized by the state to make investments and by a department with state authorization from among members of the board of directors.

The chairman of the board of directors is the company's legal representative.

Article 69 A wholly state-owned company shall have managers who will be hired and dismissed by the board of directors. Managers shall exercise functions and powers according to Article 50 of this law.

Approved by an organization authorized by the state to make investments or by a department with state authorization, members of the board of directors may concurrently serve as managers.

Article 70 Unless approved by an organization authorized by the state to make investments or by a department with

state authorization, chairman, vice chairmen, and managers of a wholly state-owned company shall not assume concurrent posts as responsible persons of other limited liability companies, limited liability stock companies, or other business organizations.

Article 71 An organization authorized by the state to make investments or a department with state authorization shall handle the procedures of examining and approving transfer of the assets of a wholly state-owned company according to stipulations of the law and administrative rules.

Article 72 A large wholly state-owned company with a sound business management system and excellent business operations may exercise asset ownership right with the State Council's authorization.

Chapter III Establishment and Organizational Structure of Limited Liability Stock Companies

Section 1. Establishment

Article 73 The following requirements are needed to establish limited liability stock companies:

1. the quorum of sponsors [fa qi ren 4099 6389 0086];
2. the legally prescribed minimum amount of capital stocks subscribed for by the sponsors and sold to the public;
3. the issuance of shares and preparations for company establishment in conformity with the requirements of the law;
4. approval of articles of association drawn up by the sponsors of the general inaugural meeting;
5. the company's name and the establishment of an organizational structure in conformity with the requirements of a limited liability stock company; and
6. permanent production and operation premises and other essential conditions of production and operations.

Article 74 Limited liability stock companies may be established by sponsorship or by marketing shares to the public.

Establishing by sponsorship means all shares of the company to be established are subscribed to by the sponsors.

Establishing by marketing shares to the public means a part of the shares of the company to be established are subscribed to by the sponsors and the rest are marketed to the public.

Article 75 Five or more sponsors are needed for the establishment of a limited liability stock company; of them, more than half should reside within Chinese territory.

For limited liability stock companies reorganized from state-owned enterprises, the number of sponsors may be fewer than five. However, such companies should be established by marketing shares to the public.

Article 76 The sponsors of limited liability stock companies must subscribe to the company's shares in the way prescribed in this law, and must be responsible for the preparations for the establishment of the company.

Article 77 Establishment of limited liability stock companies must be approved by a department authorized by the State Council or by a provincial-level government.

Article 78 Limited liability stock companies' registered capital should be the total paid-up capital stocks as registered at a company registration organ.

The minimal registered capital of a limited liability stock company is 10 million yuan renminbi. Where there is a need for the minimum registered capital of a limited liability stock company to be higher than the aforesaid amount, it shall be provided by other laws and administrative rules.

Article 79 The articles of association of limited liability stock companies should contain the following:

1. The name and address of the company;
2. The company's scope of business;
3. The form of the establishment of the company;
4. The total shares of the company, per-share amount of money, and registered capital;
5. The names or titles of the sponsors, and the numbers of shares subscribed to by the sponsors;
6. Shareholders' rights and obligations;
7. The makeup, functions and powers, tenure, and rules of procedure of the board of directors of the company;
8. The company's legal representative;
9. The makeup, functions and powers, tenure, and rules of procedure of the board of supervisors;
10. The company's regulations on distribution of profits;
11. The particulars concerning the company's dissolution and liquidation;
12. Regulations on issuing the company's circulars and public notices;
13. Other matters that shareholders' meetings deem necessary to be stipulated in the articles of association of the company.

Article 80 Sponsors may invest with money or with physical goods, industrial property rights, nonpatented technologies, and land-use rights at their appraised value. The physical goods, industrial property rights, nonpatented technologies, and land-use rights to be used as investment shall be appraised to determine their values, be verified, and be converted into shares. There shall be no overestimate or underestimate of their values. The appraisal and determination of the value of land-use rights shall be handled according to the law and administrative rules.

The amount of investment made in the form of industrial property rights and nonpatented technologies by sponsors shall not exceed 20 percent of the registered capital of a limited liability stock company.

Article 81 When a state-owned enterprise is transformed into a limited liability stock company, it is strictly forbidden to depreciate state assets and convert them into shares, to sell off state assets, or to distribute them to individuals without charge.

Article 82 When a limited liability stock company is established by sponsorship, the sponsors, after confirming in writing the subscription of all the shares to be issued by the company according to its articles of association, shall immediately pay in full for the shares. Sponsors investing with physical goods, industrial property rights, nonpatented technologies, or land-use rights as their payment for the shares should undertake assets-transfer procedures according to the law.

Upon the payment of the investment in full by the sponsors, the board of directors and the board of supervisors shall be elected. The board of directors shall submit the approval document for the company's establishment, along with its articles of association, capital verification certificate, and other papers, to the company registration organ and shall apply to register the establishment.

Article 83 The number of shares subscribed to by sponsors of a limited liability stock company established by marketing shares to the public shall be no less than 35 percent of the company's total shares; the rest of the shares should be marketed to the public.

Article 84 When sponsors sell the shares to the public, they should submit a share-marketing application to the State Council's securities administrative department along with the following essential documents:

1. the document approving the company's establishment;
2. the articles of association;
3. a statement on the estimated cost of operations;
4. the names or titles of sponsors; the number of sponsors' subscribed shares, the forms of investment, and the capital verification certificate.
5. the prospectus on the selling of shares;
6. the names and addresses of banks collecting the share money;
7. the names of marketing agencies and the relevant agreements [signed with them].

Sponsors are forbidden to sell shares to the public without the approval of the State Council's securities administrative department.

Article 85 With the approval of the State Council's securities administrative department, a limited liability stock company may sell shares outside the country. The State Council shall make special provisions on specific methods.

Article 86 The State Council's securities administrative department shall approve share-marketing applications which conform to the stipulations of this law; it will not approve applications which do not conform to the stipulations of this law.

When approved share-marketing applications are found to have not conformed to the stipulations of this law, they shall be revoked; shares that have not been sold shall not be marketed; and as for the shares that have already been sold, share subscribers may demand that the sponsors refund them for their shares plus pay interest at the current bank deposit rate.

Article 87 A share-marketing prospectus should contain the company's articles of association formulated by the sponsors, as well as the following information:

1. the number of sponsors' subscribed shares;
2. The nominal value of each share and its offering price;
3. The total number of bearer's shares issued;
4. Subscriber's rights and obligations; and
5. The time that the current flotation period starts and ends, and an explanation of the subscriber's right to withdraw his subscription when not enough shares have been subscribed to during the said period.

Article 88 When sponsors float shares to the public, they must publicize the prospectus and create a subscription form. The subscription form should contain the information included in the preceding article, and the subscriber should fill in the number of shares he has subscribed to, the amount of money he has paid, and his address; and he should also sign and place his seal on the form. The subscriber should pay the money for the number of shares to which he subscribes.

Article 89 When sponsors float shares to the public, the shares should be sold through a legally established securities agency, and a marketing agreement should be signed.

Article 90 When sponsors float shares to the public, they should sign agreements with banks about collecting the share money on their behalf.

Banks entrusted with collecting the share money should collect and keep the share money according to the agreements, and they should issue receipts to the subscribers for their payments. They also are obligated to show proof to the relevant departments concerning the money that they have collected.

Article 91 After all the money for the floated shares has been collected, the amount should be verified and certified by a statutory capital verification organ. The sponsors shall call a company founding meeting within 30 days. The meeting shall be made up of share subscribers.

Where the number of shares has not been fully subscribed to within the deadline stated in the prospectus, or when the sponsors fail to call the founding meeting within 30 days after all the money for the floated shares has been paid, the

subscribers may demand that the sponsors return their payments as well as the interest which banks pay during the same period.

Article 92 The sponsors should announce or should notify the subscribers of the date of the founding meeting 15 days prior to its being held. The meeting may not be held unless it is attended by subscribers who have subscribed to at least one-half of the total number of shares.

The founding meeting exercises the following powers:

1. Examining the sponsors' report on the preparations concerning the company;
2. Approving the company's articles of association;
3. Electing members of the board of directors;
4. Electing members of the board of supervisors;
5. Auditing the company's founding expenses;
6. Auditing the value of assets which sponsors use to pay for their shares; and
7. Resolving not to establish the company when force majeure occurs or when major changes in operating conditions have directly affected the company's establishment.

The resolution made by the founding meeting on the basis of the problems listed in the preceding clause must be approved by subscribers attending the meeting who hold at least one half of the voting rights.

Article 93 After sponsors and subscribers pay their money for shares or capital paid in lieu of the share money, they may not withdraw their capital stock, except when not enough shares have been floated during the specified period, when the sponsor fails to call a founding meeting according to the schedule, or when the founding meeting resolves not to set up the company.

Article 94 To apply for registration for establishment, the board of directors shall, within 30 days after the founding meeting, submit the following documents to authorities in charge of company registration:

1. Documents of approval issued by relevant competent authorities;
2. Meeting records of the founding meeting;
3. Articles of association of the company;
4. The financial auditing report about the company under preparations;
5. Capital verification certificate;
6. Names and addresses of members of the board of directors and the board of supervisors; and
7. The name and address of the legal representative.

Article 95 Within 30 days after receiving the application for registration of the limited liability company's establishment, the authorities in charge of company registration

shall decide on whether the registration should be approved. If the establishment is in line with the terms prescribed in this law, the registration shall be approved and a business license shall be issued to the company; but if the establishment is not in line with the terms prescribed in this law, its registration shall be rejected.

The date of issue of the company's business license is the date of the company's establishment. After the company has been established, the establishment shall be announced.

After a limited liability stock company is registered and established, it shall report the flotation of shares to the State Council Securities Administrative Department for the record in case the company is established through floating shares.

Article 96 If branches are also established at the same time a limited liability stock company is established, the company shall apply for the branches' registration at authorities in charge of company registration and pick up their operating licenses.

If branches are established after the limited liability stock company has been established, the company's legal representative shall apply for their registration at authorities in charge of company registration and pick up their operating licenses.

Article 97 The sponsor of a limited liability stock company shall bear the following responsibilities:

1. When the company cannot be established, he shall bear joint responsibilities for the debts and expenses generated by the act of the establishment;
2. When the company cannot be established, he shall bear joint responsibilities of returning the share money, plus the interest which banks pay for savings accounts during the same period, to the subscribers who have paid their share money; and
3. He shall bear the responsibility of compensating the company's losses caused by sponsors' mistakes during the company's establishment process.

Article 98 When a limited liability company becomes a limited liability stock company, the change must be in line with the terms prescribed in this law for limited liability stock companies, and its establishment shall follow the procedures prescribed in this law for the establishment of limited liability stock companies.

Article 99 When a limited liability company has been lawfully approved to become a limited liability stock company, the total amount of money converted from shares should be equal to the sum of the company's net assets. When a limited liability company floats shares to the public to raise capital after it has been lawfully approved to become a limited liability stock company, it shall do so according to regulations of this law governing the flotation of shares to the public.

Article 100 After a limited liability company lawfully becomes a limited liability stock company, the latter shall take over the former's credit rights and debts.

Article 101 A limited liability stock company should keep the company's articles of association, shareholders' roster, records of shareholders' meetings, and fiscal reports at the company.

Section 2. Shareholders' Meeting

Article 102 The shareholders of a limited liability stock company shall form a shareholders' meeting. The shareholders' meeting is the company's power organ which will exercise its powers according to this law.

Article 103 The general meeting of shareholders shall exercise the following functions and powers:

1. To decide the company's operational principles and investment plans;
2. To elect and remove members of the board of directors and fix their remunerations;
3. To elect and remove members of the board of supervisors, who are representatives of shareholders, and to fix their remunerations;
4. To examine and approve reports of the board of directors;
5. To examine and approve reports of the board of supervisors;
6. To examine and approve the company's annual financial budget plans and final accounts;
7. To examine and approve the company's profits distribution plans and plans to cover losses;
8. To decide on increase or decrease of the company's authorized capital;
9. To decide on issuance of company bonds;
10. To decide on matters involving merger, break-up, dissolution, and liquidation of the company; and
11. To amend the articles of association.

Article 104 The general meeting of shareholders shall be held annually. An ad hoc general meeting of shareholders shall be held within two months when one of the following circumstances occurs:

1. When the number of directors is less than two thirds of the number of directors stipulated by this Law or the articles of association;
2. When the amount of the company's losses to be covered has reached one third of the total stock capital;
3. At the request of shareholders holding more than 10 percent of the company's shares;
4. When the board of directors deems necessary; and
5. When the board of supervisors proposes.

Article 105 The board of directors shall be responsible for calling the general meeting of shareholders in accordance with provisions of this Law, to be presided over by the chairman of the board of directors. In the event that the chairman of the board of directors is unable to exercise his functions due to special reasons, he shall assign a vice chairman or a director to chair the meeting. Shareholders shall be notified on matters to be examined during the general meeting of shareholders 30 days before its convening. An ad hoc general meeting of shareholders shall not adopt resolutions on matters not stated in the notice.

Companies issuing bearer shares shall issue a public notice over the abovementioned matters 45 days before the meeting.

Bearer shareholders attending the general meeting of shareholders shall hand over their share certificates to the company five days before the meeting for retention until the meeting ends.

Article 106 Shareholders attending the general meeting of shareholders shall be entitled to one vote for every share they hold.

In adopting a resolution, the general meeting of shareholders must have the approval of more than one half of the votes held by the attending shareholders, and, for resolutions involving merger, break-up, or dissolution of company, two thirds and above.

Article 107 Revision of the articles of association must be adopted by more than two thirds of the total votes entitled to the shareholders present at the general meeting of shareholders.

Article 108 A shareholder may attend the general meeting of shareholders by proxy. The proxy should show a statement authorized by the shareholder to the company and exercise his right to vote within the limits of authorization.

Article 109 The general meeting of shareholders should keep records of the items discussed and the decisions adopted, and the records should be signed by the directors present at the meeting. The records of the meeting, the attendance book, and proxy statements should all be kept together.

Article 110 Shareholders have the right to read the company's articles of association, records of the general meeting of shareholders, and financial and accounting reports, and to make suggestions or inquiries about the company's operation.

Article 111 If any resolution of the general meeting of shareholders or the board of directors meeting infringes upon shareholders' legitimate rights and interest in violation of law or administrative regulations, shareholders have the right to bring a lawsuit with the people's court and demand discontinuation of the act of law violation and infringement.

Section 3. Board of Directors and Manager

Article 112 A limited liability stock company should have a board of directors composed of five to 19 members.

The board of directors is responsible to the general meeting of shareholders and exercises the following functions and powers:

1. convening the general meeting of shareholders and reporting its work to the general meeting of shareholders;
2. implementing resolutions of the general meeting of shareholders;
3. deciding on the company's operational and investment plans;
4. formulating the company's annual budget and final accounts;
5. formulating the company's profit distribution and deficit make-up plans;
6. formulating plans for reducing the company's registered capital and issuing company bonds;
7. drafting plans for the company's merger, break-up, or dissolution;
8. deciding on the establishment of the company's internal management organizations;
9. hiring or firing the company's manager; and hiring or firing the company's deputy managers and finance department heads and deciding on their remuneration in accordance with the manager's recommendation; and
10. formulating the company's basic management system.

Article 113 The board of directors shall have a chairman and may have one or two vice chairmen. The chairman and vice chairmen of the board of directors shall be elected by more than one half of the total votes of all the directors.

The chairman of the board of directors is the company's legal representative.

Article 114 The chairman of the board of directors exercises the following functions and powers:

1. chairing the general meeting of shareholders and chairing and convening the meeting of the board of directors;
2. inspecting the implementation of resolutions of the board of directors meetings; and
3. signing the company's shares and company bonds.

The vice chairman of the board of directors assists the chairman of the board of directors in work. When the chairman of the board of directors is unable to perform his functions and powers, he shall designate a vice chairman of the board of directors to perform the chairman's functions and powers in his place.

Article 115 The term of office of directors is stipulated by the company's articles of association, but each term shall not exceed three years. A director may be reelected to serve another term after the completion of his current term.

Without proper justification, the general meeting of shareholders may not remove any directors from the board of directors before they complete their term of office.

Article 116 The board of directors shall meet at least twice a year, and all directors shall be notified of the meeting 10 days prior to the date of the meeting.

The board of directors may stipulate separately the mode and time of notification for convening ad hoc meetings of the board of directors.

Article 117 A meeting of the board of directors shall require the attendance of more than one half of the directors. The adoption of a resolution in a meeting of the board of directors shall require the approval of more than one half of the directors.

Article 118 A director must personally attend a meeting of the board of directors. A director who is unable to attend a meeting of the board of directors for certain reasons may assign another director to attend on his behalf by signing a proxy specifying the scope of authorization.

Decisions made after discussions in a meeting of the board of directors shall be recorded signed by attending directors and the record-keeper.

Directors shall be responsible for resolutions adopted by the board of directors. When a resolution adopted by a meeting of the board of directors violates laws and administrative rules, or the company's articles of association, and causes grave damage to the company, directors who have attended the meeting are liable for compensation to the company. However, directors with proof of voting against the resolution as logged in the meeting records may be exempted from such liability.

Article 119 The board of directors of a limited liability stock company may employ or dismiss a manager, who is answerable to the board while exercising the following functions and powers:

1. To take charge of the company's production, operation, and management and to organize the implementation of resolutions adopted by the board of directors;
2. To organize the implementation of the company's annual operational and investment plans;
3. To draft plans for the establishment of the company's internal managerial organizations;
4. To draft the company's basic management system;
5. To formulate the company's specific regulations;
6. To recommend the employment or dismissal of deputy company managers and financial officers;
7. To employ or dismiss management personnel other than those whose employment or dismissal rest with the board of directors;
8. To perform other functions and powers authorized by the articles of association and the board of directors.

The manager may attend a board of directors meeting as observer.

Article 120 If necessary, the board of directors may authorize its chairman to perform some of its functions during its adjournment.

With the approval of the board of directors, a director may concurrently serve as manager.

Article 121 In studying and deciding on issues involving the immediate interests of staff and workers, including their wages, welfare, safety in production, labor protection, and labor insurance, the company shall seek the opinions of the company trade union and those of staff and workers in advance, and invite their representatives to attend relevant meetings as observers.

Article 122 In studying and deciding on important issues related to production and operation and in formulating major regulations and systems, the company shall heed the opinions and suggestions of the company trade union and those of staff and workers.

Article 123 Directors and managers shall abide by the articles of association, faithfully perform their duties, and safeguard the company's interests, and shall not use their positions and powers in the company to seek personal gains.

The stipulations of Articles 57 through 63 of this law governing the disqualifications of directors and managers, as well as governing the duties and responsibilities of directors and managers shall apply to directors and managers of limited liability stock companies.

Section 4. Board of Supervisors

Article 124 The board of supervisors of a limited liability stock company shall consist of no fewer than three members. The board of supervisors shall elect a convener from among its members.

The board of supervisors shall be formed with an appropriate ratio of representatives of shareholders and company workers. Its specific ratio shall be stipulated by the articles of association. Workers' representatives on the board of supervisors shall be chosen by company workers via democratic elections.

Directors, managers, and responsible persons for financial affairs shall not hold supervisor posts concurrently.

Article 125 The term of office for supervisors shall be three years. Supervisors may be reelected when their terms of office expire.

Article 126 The board of supervisors shall perform the following duties:

1. inspecting the company's financial affairs;
2. monitoring conduct in violation of laws, regulations, or the articles of association while directors and managers perform their duties in the company;

3. asking directors and managers to take remedial action for conduct harmful to the company's interests;
4. making proposal for holding ad hoc shareholders' general meetings;
5. performing other duties stipulated by the articles of association.

Supervisors shall attend directors' meetings as observers.

Article 127 The meeting and voting procedures of the board of supervisors shall be stipulated by the articles of association.

Article 128 Supervisors shall faithfully perform their monitoring duties in accordance with laws and administrative rules, and the articles of association.

The stipulations of Articles 57 through 59 and Articles 62 through 63 of this law governing the supervisors' disqualifications and duties and responsibilities shall apply to supervisors of limited liability stock companies.

Chapter IV Issuance and Transfer of Shares by Limited Liability Stock Companies

Section 1. Issuance of Shares

Article 129 The capital of limited liability stock companies shall be divided into shares, with each share having an equal value.

Companies shall adopt the format of issuing share certificates for their stock. Share certificates shall be issued by companies to certify the number of shares held by shareholders.

Article 130 The principle of openness and fairness shall be adopted for share issuance, and all shares shall have equal rights and dividends.

Terms of issuance and price shall be identical for all shares issued at the same time. Any unit or individual shall pay an identical amount for each share purchased.

Article 131 The offering price of shares issued may be equal or greater, but not lower, than the face value of the shares.

The issuance of shares with an offering price greater than their face value shall be approved by the State Council's securities administrative department.

Premium income received from shares issued with an offering price greater than their face value shall be included in the company's capital reserve fund.

Specific procedures for issuing shares with premium income shall be separately stipulated by the State Council.

Article 132 A printed paper format or other formats stipulated by the State Council's securities administrative department shall be adopted for share certificates.

Share certificates shall carry the following major items:

1. company name;

2. registration date of the company's establishment;

3. categories and face value of shares, and number of shares represented; and

4. serial numbers of share certificates.

Share certificates shall be signed by the chairman of the board of directors and affixed with the company's seal.

Sponsors' shares shall be indicated with such wordings on the share certificates.

Article 133 Shares issued by companies to sponsors, state-authorized investment organizations, and legal persons shall be registered shares, and shall carry the names of sponsors, organizations, or legal persons. The shares shall not be registered in other names or names of their representatives.

Shares issued to the public may be registered shares or bearer shares.

Article 134 Companies that issue registered shares shall set up a shareholders' roster to record the following items:

1. shareholders' names and addresses;
2. number of shares held by shareholders;
3. serial numbers of shares held by shareholders;
4. dates shares acquired by shareholders.

Companies shall record the number of shares, serial numbers, and issue dates for bearer shares issued.

Article 135 The State Council may formulate separate stipulations governing companies' issuance of other types of shares apart from those stipulated by this law.

Article 136 Limited liability stock companies shall officially deliver share certificates to shareholders immediately after, but not prior to, companies' registrations.

Article 137 A company shall be equipped with the following conditions for new share issues:

1. one year has passed since the last issuance of shares, which have been fully subscribed;
2. the company has made profits and paid dividends to its shareholders for the last three consecutive years;
3. the company is not found to have false records in its financial and accounting documents in the last three years; and
4. the company's anticipated profit rate will match the bank deposit rate for the corresponding period.

The company's issuance of new shares with the fiscal year's profit distribution shall not be restricted by clause (2) of this Article.

Article 138 The shareholders' general meeting shall resolve the following items for the company's new share issuance:

1. the categories and total number of new shares;

2. the price for each new share issued;
3. the commencement and closing dates for new shares issued;
4. the categories and total number of new shares issued to existing shareholders.

Article 139 After the shareholders' general meeting resolves the new share issuance, the board of directors shall apply for approval to the department authorized by the State Council or provincial-level people's government. Shares issued to the public shall be approved by the State Council's securities administrative department.

Article 140 When approval is granted to a company for issuing new shares to the public, the company shall publicly issue a prospectus as well as financial and accounting statements with appended detailed tables on the new shares to be issued, and prepare share subscription forms.

New shares issued by a company to the public should be marketed through a legally established securities dealer and a marketing agreement should be signed.

Article 141 A company shall determine the price formulation plan for new shares issued on the basis of the company's consecutive profits and asset appreciation.

Article 142 A company shall alter its registration with the company registration organization after it has fully collected the revenue from new share issues.

Section 2. Transfer of Shares

Article 143 Shares held by shareholders may be transferred in accordance with the law.

Article 144 Shareholders shall transfer their shares through securities exchanges established in accordance with the law.

Article 145 Shareholders shall transfer registered shares through endorsement or other methods stipulated by laws or other administrative rules.

For transfer of registered shares, a company shall record in the shareholders' roster names and addresses of the transferees.

Altering the registration of the shareholders' roster according to the stipulations of the preceding clause shall be forbidden within 30 days prior to the shareholders' general meeting, or within five days prior to the standard date decided by the company for dividend allotments.

Article 146 Transfer of bearer shares takes effect after the shareholders hand over the shares to the transferees at a stock exchange established according to law.

Article 147 Shares owned by the sponsors of a company are not to be transferred within three years following the establishment of the company.

Members of the board of directors, members of the board of supervisors, and the manager of a company should

report to the company the company shares they own; these shares must not be transferred while they are in office.

Article 148 Investment organizations authorized by the state may transfer their shares according to law, and may buy shares owned by other shareholders. The authority to approve, and the regulations governing the transfer and purchase of shares, should be in accordance with relevant laws and administrative rules.

Article 149 A company is not allowed to purchase its own shares, except those shares that are to be canceled to reduce the company's capital, or unless the company is to be merged with other companies owning the company's shares.

A company's shares purchased by the company itself in accordance with the above stipulation must be canceled within 10 days, and registration of the canceled shares must be changed according to relevant laws and administrative rules, and the change must be announced in a public notice.

A company must not accept its own shares as a mortgage.

Article 150 In case registered shares are stolen, lost, or destroyed, owners of the shares, following the public announcement procedures stipulated in civil procedural law, may ask a people's court to proclaim the invalidity of the shares.

After the shares are proclaimed invalid by a people's court in accordance with the public announcement procedures, the owners of the shares may ask the company to issue new shares to replace those proclaimed invalid.

Section 3. Listed Companies

Article 151 Listed companies mentioned in this law refer to limited liability stock companies whose shares are listed for transaction at stock exchange with the approval of the State Council or the Securities Administrative Department authorized by the State Council.

Article 152 Limited liability stock companies must meet the following requirements in applying for the listing of their shares:

1. Their shares have been approved by the State Council's Securities Administrative Department for marketing to the public;
2. The total capital stock of the company must not be less than 50 million yuan renminbi;
3. The company must have been in operation for at least three years and have made profits in the past three consecutive years; companies reorganized from state-owned enterprises according to law, or companies which are established after this law is implemented but whose major sponsors are large or medium state-owned enterprises, may include the years of operation of the state-owned enterprises;
4. The number of shareholders each holding a total face value of shares exceeding 1,000 yuan renminbi is not fewer

than 1,000, and the shares marketed to the public are more than 25 percent of the company's total shares; for companies with total capital stock exceeding 400 million yuan renminbi, the shares marketed to the public are more than 15 percent of the company's total shares;

5. The company has not had any major illegal activities over the past three years, and no falsified accounts have been found in its financial and accounting statements;

6. Other requirements specified by the State Council.

Article 153 Before listing their shares for transaction, limited liability stock companies should receive approval from the State Council or the Securities Administrative Department authorized by the State Council, and should submit related documents in accordance with relevant laws and administrative rules.

The State Council or the Securities Administrative Department authorized by the State Council will approve applications for listing shares for transaction which meet the requirements stipulated in this law, and will not approve those which do not meet the requirements.

After an application for listing shares for transactions is approved, the approved listed company must make public a report on the listing of their shares and keep the application document in a designated place for public review.

Article 154 Shares of approved listed companies are to be listed for transaction in accordance with relevant laws and administrative rules.

Article 155 With the approval of the State Council's Securities Administrative Department, corporate shares may be marketed outside the country. The State Council shall make a special ruling on the specific measures.

Article 156 In accordance with provisions in laws and administrative rules, a listed company shall publicize its financial state and operations at regular intervals, and publicize its financial accounting report once every six months within a fiscal year.

Article 157 When a listed company meets one of the following conditions, the State Council's Securities Administrative Department shall decide to temporarily suspend the listing of its shares:

1. When the company can no longer be listed owing to changes in the company's total capital stock and distribution of stock ownership;
2. When the company fails to publicize its financial situation according to regulations, or when it has falsified its financial accounting reports;
3. When the company has engaged in major lawless conduct; and
4. When the company has lost money for three years in a row.

Article 158 When a listed company has either (2) or (3) of the above and the case has been verified and found to be serious, or when the company has either (1) or (4) of the above and is unable to eliminate the problems within a time limit, thus making it illegible to be listed, the State Council's Securities Administrative Department shall decide to stop the marketing of its shares.

When a company has resolved on a dissolution, and has been lawfully instructed by competent administrative authorities to close or declare bankruptcy, the State Council's Securities Administrative Department shall decide to stop the marketing of its shares.

Chapter V Company Bonds

Article 159 To raise production and operating capital, a limited liability company established by a limited liability stock company, by a wholly state-owned company, or by two or more state investment sources may issue company bonds according to this law.

Article 160 Company bonds referred to in this law are negotiable securities issued according to legal procedures with repayment of the principal and payment of interest after an agreed period.

Article 161 The floating of company bonds must be in line with the following terms:

1. For a limited liability stock company, the value of its net assets may not be lower than 30 million yuan renminbi; for a limited liability company, the value of its net assets may not be lower than 60 million yuan renminbi;
2. The aggregate value of its bonds may not exceed 40 percent of the value of its net assets;
3. The average amount of distributable profits in the last three years is sufficient for paying the interests of company bonds for one year;
4. The way the money is raised and invested is in line with the state's industrial policy;
5. The interest rates paid to the bonds may not exceed the interest rates set by the State Council; and
6. Other conditions prescribed by the State Council.

The money raised by floating company bonds shall be used in ways approved by examination authorities, and shall not be used for making up losses or for nonproductive expenditures.

Article 162 When a company has one of the following situations, it shall not float company bonds for the second time:

1. The bonds it issued the first time have not been completely purchased; and
2. It has violated the contracts governing the bonds it has floated or the debts it owes, or it has delayed payment of the capital and interest; and these problems still continue.

Article 163 The plan for a limited liability stock company or a limited liability company to float its bonds shall be drawn up by its board of directors, and a resolution shall be made by the shareholders' meeting.

The decision for a wholly state-owned company to float its bonds shall be made by a state-authorized investment organ, or by a state-authorized department.

When a resolution or decision has been made as prescribed in the preceding two clauses, the company shall submit a request to the State Council's Securities Administrative Department for approval.

Article 164 The scale of issuance of bonds by a company shall be decided by the State Council. The issuance of bonds by a company shall be examined and approved by the State Council's Securities Administrative Department, and the volume of bonds issued by a company must not exceed the scale decided upon by the State Council.

The State Council's Securities Administrative Department will approve the application for issuing bonds if it meets the stipulations of this law, and will disapprove the application if it does not meet the stipulations of this law.

The approval should be revoked if the application is later found to have not met the stipulations of this law. If bonds are yet to be issued, the company should stop issuing bonds. If a company has already issued bonds before the approval is revoked, the company should refund all bond subscribers plus interest calculated at the bank's savings deposit interest rate for the same period.

Article 165 A company should submit the following documents when applying for approval from the State Council's Securities Administrative Department for issuing company bonds:

1. Certificate of company registration;
2. The company's articles of association;
3. Methods of marketing bonds to the public; and
4. Assets valuation report and verification certificate;

Article 166 After the issuance of bonds is approved, the company should announce methods of marketing bonds to the public.

The procedures for marketing company bonds to the public should include the following:

1. Name of the company;
2. The total amount and nominal value of bonds issued.
3. The interest rate of the bonds;
4. The date of maturity and methods for repayment of the principle and payment of interest;
5. The beginning and ending dates of the issuing bonds;
6. The company's net assets;

7. The total amount of undue bonds issued by the company; and

8. The marketing agency for the company's bonds.

Article 167 Company bonds issued must carry the name of the company, the nominal value of the bond, the interest rate and date of repayment, and must be signed by the chairman of the board of directors and affixed with the company's seal.

Article 168 Company bonds include registered bonds and bearer bonds.

Article 169 In issuing bonds, the company should keep the counterfoil of bonds issued.

In issuing registered bonds, the company's counterfoil of bonds should include the following:

1. The name and address of the person or organization holding the bonds;
2. The date of acquiring the bonds and serial number of the bonds;
3. The total amount of the bonds, the nominal value of the bonds, the interest rate of the bonds, and the date of maturity and method for repayment of the principle and payment of interest; and
4. The date of issuing the bonds.

In issuing bearer bonds, the company's counterfoil of the bonds should include the total amount of the bonds, the interest rate of the bonds, the date of maturity and method for repayment, and the date of issuing the bonds and the serial number of the bonds.

Article 170 Company bonds are negotiable. Bond negotiations should be done at lawfully established securities exchanges.

Bonds are negotiated at a price agreed upon between the seller and the buyer.

Article 171 Registered bonds are negotiated by way of the holder's endorsement or other modes prescribed by law or administrative rules.

When registered bonds are negotiated, the company should record the new holder's name or title and home address on the counterfoil of the company bonds.

Negotiated bearer bonds become effective immediately after the seller hands them over to the buyer at a lawfully established securities exchange.

Article 172 With the approval of the general meeting of shareholders, a listed company may issue convertible bonds and stipulate concrete conversion procedures in its bond flotation methods.

Convertible bonds shall be issued with the approval of the State Council's Securities Administrative Department. In issuing convertible bonds, the company shall meet both the requirements of company bonds issuance and the requirements of share issuance.

The company shall print on convertible bonds the words clearly indicating their convertibility, and shall record the amount of the convertible bonds on the counterfoil of the company bonds.

Article 173 The issuing company of convertible bonds shall let the bond holders convert the bonds into shares according to conversion procedures. However, the bond holders have the option of making or not making the conversion.

Chapter VI Corporate Finance and Accounting

Article 174 A company shall establish its finance and accounting systems according to law, administrative rules, and the provisions of the State Council's Finance Department.

Article 175 A company shall draw up its finance and accounting report at the end of each fiscal year, and the report shall be examined and verified according to law.

The finance and accounting report shall have the following charts and appended detailed tables:

1. A balance sheet;
2. A profit and loss statement;
3. A statement of financial changes;
4. An explanation of the financial situation; and
5. A chart of profit distribution.

Article 176 A limited liability company shall send its finance and accounting report to all shareholders within the period prescribed in the company's articles of association.

Twenty days prior to the holding of the annual general meeting of shareholders, a limited liability stock company shall have its finance and accounting report at the company for its shareholders' examination.

A limited liability stock company which is established through floating shares shall publicize its finance and accounting report.

Article 177 When a company distributes the year's after-tax profits, it shall retain 10 percent of the profits as the company's statutory common reserve fund, and another 5 to 10 percent of the profits as the company's statutory common welfare fund. It may stop retaining when the aggregate common reserve fund exceeds 50 percent of the company's registered capital.

When the statutory common welfare fund which a company retains in a given year is insufficient for covering the losses of the preceding year, it shall use the profits of that given year to cover the losses before retaining the statutory common reserve fund and the statutory common welfare fund according to the preceding clause.

After the company has retained the statutory common welfare fund from its after-tax profits, it may retain the optional common reserve fund after the shareholders' meeting decides to do so.

After the company's profits have been withdrawn for covering losses, and for the common reserve fund and the statutory common welfare fund, a limited liability company may distribute the remainder according to the proportion of the shareholders' investment, and a limited liability stock company may distribute the remainder according to the proportion of the shareholders' shares.

When the shareholders' meeting or the board of directors violates the preceding clause and distributes the profits among the shareholders before the company covers its losses, and retains the statutory common reserve fund and the statutory common welfare fund, the profits which have been distributed in violation of regulations must be returned to the company.

Article 178 For the premium income which a limited liability stock company has acquired through floating shares according to this law at prices higher than their nominal prices, and for other income which competent State Council financial authorities have ruled to incorporate with the common welfare fund for capital, the company shall list such income as its common reserve fund for capital.

Article 179 The common reserve fund of a company shall be used for covering its losses, expanding production and operations, or increasing the company's capital.

When a limited liability stock company turns the common reserve fund into capital according to the general meeting of shareholders, it shall issue new shares or increase the nominal value of each share according to the proportion of shares held by the shareholders. However, when it turns the statutory common reserve fund into capital, the amount of common reserve funds that remain may not be less than 25 percent of the registered capital.

Article 180 The statutory common welfare fund retained by a company shall be used for the collective welfare programs of the company's workers.

Article 181 A company shall not have account books other than its statutory account books.

No account may be opened in an individual's name for the depositing of the company's assets.

Chapter VII Mergers and Break-ups of Companies

Article 182 The merger or break-up of a company shall be decided by the shareholders' meeting.

Article 183 The merger or break-up of a limited liability stock company must be approved by the department authorized by the State Council or by the people's government at the provincial level.

Article 184 The merger of companies may take the form of absorption or of a merger to form a new company.

When a company absorbs another, it is an absorption merger, and the company being absorbed shall be dissolved. When two or more companies merge to establish a new company, it is merger for new establishment, and all parties being merged shall be dissolved.

In merging companies, all parties involved in the merger should sign an agreement for merger, and each party should prepare a balance sheet and an inventory sheet. The company should notify its creditors within 10 days after the decision to merge, and should make such announcements in newspapers at least three times within 30 days. The creditors shall have the right to ask the company to pay the debts or provide appropriate guarantees within 30 days after receiving a notice, or within 90 days after the first public announcement to merge by the company. Companies which do not repay debts or do not provide appropriate guarantees shall not be allowed to merge.

Following the merger, the right of claims and debts of various former companies shall be inherited by the absorbing company or by a new company.

Article 185 When a company breaks up, its property shall be broken up in an appropriate manner.

During the break up, the company should prepare a balance sheet and an inventory sheet. The company should notify its creditors within 10 days following the decision to break up, and should make such announcements in newspapers at least three times within 30 days. The creditors shall have the right to ask the company to pay debts or provide appropriate guarantees within 30 days after receiving a notice, or within 90 days after the first public announcement of the breaking up of the company. A company which does not repay its debts or does not provide appropriate guarantees shall not be allowed to break up.

Debts prior to the breakup of a company shall be inherited by the companies following the breakup according to an agreement reached between them.

Article 186 When a company wants to reduce its registered capital, it must prepare a balance sheet and an inventory sheet.

The company should notify its creditors within 10 days following the decision to reduce its registered capital, and should make such announcements in newspapers at least three times within 30 days. The creditors shall have the right to ask the company to pay debts or provide appropriate guarantees within 30 days after receiving a notice, or within 90 days after the first public announcement of the company reducing its registered capital.

The reduced registered capital of a company must not be lower than the statutory minimum amount of the capital.

Article 187 When a limited liability company increases its registered capital, the equity participation by shareholders for the increased capital shall be based on the related stipulations of this law on the payment of investment for the establishment of a limited liability company.

When a limited liability stock company increases its registered capital and issues new shares, the shareholders may subscribe new shares in accordance with related stipulations of this law on the payment of investment for the establishment of a limited liability stock company.

Article 188 When companies merge or when a company breaks up, it is necessary to register such changes in accordance with the law at the company registration organ. When a company dissolves, it is necessary to register the dissolution of the company in accordance with the law. When a company is newly established, it is necessary to register the establishment in accordance with the law.

When a company increases or reduces its registered capital, it is necessary to register such changes in accordance with the law at the company registration organ.

Chapter VIII Bankruptcy, Dissolution, and Liquidation of Companies

Article 189 When a company has been proclaimed bankrupt because of its inability to pay off due debts, a people's court, according to the relevant laws, is to organize the company's shareholders, concerned departments, and related professionals in order to set up a liquidation group to conduct bankruptcy liquidation of the company.

Article 190 Companies that fall in one of the following categories may be dissolved:

1. The period of business operation stipulated in the company's articles of association has expired, or any other cause of dissolution stipulated in the company's articles of association comes into being;
2. The company's shareholders meeting decides to dissolve the company;
3. The company needs to be dissolved because of a merger with other companies or because of the company's break up.

Article 191 Companies which are dissolved in accordance with stipulations (1) or (2) of Article 190 should set up a liquidation group within 15 days after the dissolution takes effect. The liquidation group of limited liability companies is to be formed by the company's shareholders, and the liquidation group of a limited liability stock company is to be made up of persons appointed by the company's shareholders meeting. Creditors of a dissolved company may request a people's court to appoint relevant personnel to set up a liquidation group to conduct liquidation of the dissolved company should it fail to form a liquidation group itself within the specified period. The people's court should accept such requests and should appoint members of the liquidation group in a timely manner to conduct dissolution liquidation.

Article 192 Companies which have violated relevant laws and administrative rules and have been ordered to close down should be dissolved. Government organs in charge of these companies should organize the shareholders of the

company in question, concerned departments, and related professionals to form a liquidation group to conduct liquidation of the company.

Article 193 A liquidation group has the following functions and powers during the liquidation period:

1. Settling the property of the company and separately preparing a balance sheet and a list of the company's property;
2. Notifying the company's creditors or publishing a public notice for them;
3. Handling and settling the unfinished business affairs of the company;
4. Paying off the company's due taxes;
5. Settling the company's financial claims and liabilities;
6. Handling the company's remaining property after paying off its debts; and
7. On behalf of the company, participating in related civil lawsuits.

Article 194 A liquidation group should notify creditors within 10 days after the group is formed, and should run the notification at least three times in newspapers within 60 days after forming the group. Creditors should submit their financial claims to the liquidation group within 30 days after receiving notification; those who have not received notification should submit their claims within 90 days after the first notification appears in the newspapers.

In submitting their financial claims, creditors should explain matters concerning their claims and should submit proof of their claims. The liquidation group should register all financial claims.

Article 195 After settling a company's property and preparing a balance sheet and a list of the company's property, the liquidation group should draw up a liquidation plan and submit it to the company's shareholders meeting or concerned departments for confirmation.

If a company's property is enough to pay off the company's debts, the property should be used to pay liquidation expenses, the wages and labor insurance fees of the staff members and workers of the company, due taxes, and the company's debts.

The remaining property of a company after paying off all debts and expenses as listed above should be, for limited liability companies, distributed among the company's shareholders in proportion to the percentage of each shareholder's investment. For limited liability stock companies, the remaining property should be distributed among the company's shareholders in proportion to the percentage of each shareholder's shares.

During the period of liquidation, the company must not engage in new business activities. The company's property

must not be distributed to its shareholders before it is used to pay off expenses and debts listed in paragraph two of this article.

Article 196 When a company undergoes liquidation after dissolution, the liquidation group shall immediately file for bankruptcy with a people's court if it finds, in the course of liquidating the company's assets and compiling a balance sheet and inventory sheet, that the company's assets are insufficient to pay off its debts.

When the company is declared bankrupt by the people's court, the liquidation group shall turn over the liquidation business to the court.

Article 197 After completing liquidation procedures, the liquidation group shall compile a liquidation report, and after verification by the shareholders meeting or relevant authority, submit it to the company registration authority in order to cancel the company's registration and issue a public notice on its closure. When a company fails to apply for cancellation of its registration, the company registration authority shall revoke its business license and issue a public notice on the revocation.

Article 198 Members of the liquidation group shall be loyal to their duty and execute their liquidation responsibility in accordance with the law.

Members of the liquidation group shall not take bribes or other illegal gains, or infringe upon the company's assets by taking advantage of their position.

Members of the liquidation group who cause a loss for the company or its creditors, either on purpose or by grave blunder, shall be held liable for the loss.

Chapter IX Branches of Foreign Companies

Article 199 Pursuant with provisions of this law, foreign companies may set up branches within the territory of China to engage in production and operation.

Foreign companies referred to in this law are companies registered outside the territory of China in accordance with foreign laws.

Article 200 The foreign company shall submit an application—together with its articles of association, registration certification issued by its home country, and other documents—to the competent Chinese authority. After approval, it shall go through registration formalities with the company registration authority and obtain a business license according to the law.

Procedures for approving branches of foreign companies shall be formulated separately by the State Council.

Article 201 When a foreign company establishes a branch within the territory of China, it shall appoint a representative or agent in charge of the branch within the territory of China and provide it with funds appropriate to its operation.

The minimum requirement for the operational fund of a branch of a foreign company shall be set separately the State Council.

Article 202 The branch of a foreign company shall clearly indicate in its name the foreign country involved and its form of liability.

The branch of a foreign company shall keep a copy of the company's articles of association in its office.

Article 203 A foreign company is a foreign legal entity; the branch it establishes within the territory of China does not have the status of a legal entity in China.

A foreign company shall be liable for its operational activities within the territory of China under civil law.

Article 204 The branch of a foreign company approved for establishment within the territory of China shall abide by Chinese laws and not jeopardize the social and public interest of China; its legitimate rights and interests are protected by Chinese law.

Article 205 When a foreign company abolishes its branch within the territory of China, it shall pay off its debts and undergo liquidation in pursuant with the liquidation procedures provided in this law. Before paying off its debts, it shall not transfer the branch's assets out of Chinese territory.

Chapter X Legal Responsibility

Article 206 When a company obtains registration by making a false report on its registered capital, submitting forged certificates, or resorting to other fraudulent means to cover up material facts in violation of this law when it files for company registration, it shall be instructed to rectify; when a company makes a false report on its registered capital, it shall be fined an amount between 5 to 10 percent of its falsified registered capital; when a company submits forged certificates or resorts to other fraudulent means to cover up material facts, it shall be fined an amount between 10,000 to 100,000 yuan; in more serious cases, the company's registration shall be revoked. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 207 When a company floats shares or company bonds with deceptive prospectus, subscription forms, or methods for redeeming company bonds, it shall be instructed to halt the issuance, return the funds it has raised plus interest, and be fined an amount between 1 to 5 percent of the illegally raised funds. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 208 When the sponsors or shareholders of a company fail to hand in money or physical goods, transfer property rights, or make false reports on their investment to deceive the creditors and the public, they shall be instructed to rectify and shall be fined an amount between 5 to 10 percent of the amount of falsified investment. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 209 When the sponsors or shareholders secretly withdraw their investment after the company is inaugurated, they shall be instructed to rectify, and shall be fined an amount between 5 to 10 percent of the withdrawn investment. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 210 When shares or company bonds are issued without the approval of the relevant competent departments as provided in this law, the company concerned shall be instructed to stop the issuance, return all the raised funds plus interest, and be fined an amount between 1 and 5 percent of the funds raised. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 211 When a company keeps an account book other than the one required by law, the company concerned shall be instructed to rectify and be fined an amount between 10,000 to 100,000 yuan. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

When a company's assets are deposited into an individual's account, the illegal income gained therefrom shall be confiscated, and the individual concerned shall be fined an amount between 100 to 500 percent of the illegal gain. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 212 When a company produces a false financial and accounting report, or covers up material facts from the shareholders and the public, the person in charge and other personnel directly involved shall be fined an amount between 10,000 to 100,000 yuan. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 213 When state assets are converted into shares, or sold at low prices or distributed gratuitously among individuals, the person in charge and other personnel directly involved shall be punished by administrative sanction. When a crime is constituted, criminal responsibility shall be investigated in accordance with the law.

Article 214 Directors, supervisors, and managers who use their powers to accept bribes, receive other illicit income, or seize company property shall have such illegal acquisitions confiscated, or be ordered to return the property to the company, and then be punished. When a crime is constituted, criminal responsibility shall be affixed in accordance with the law.

Directors or managers who misappropriate company funds or loan company funds to others shall be ordered to return the funds to the company, and shall be punished accordingly; any income derived therefrom shall be reverted to the company. When a crime is constituted, criminal responsibility shall be affixed in accordance with the law.

Directors and managers who contravene any provisions under this law by using company assets to provide guarantees against liabilities for company shareholders or other

individuals shall be ordered to rescind the guarantee and undertake responsibility for compensation; the illegal income derived from providing such guarantees shall be turned over to the company. In serious cases, the company shall impose punishment.

Article 215 Directors or managers who contravene provisions under this law by engaging in their own business or by operating businesses similar to those run by the company in which they hold certain posts shall be punished accordingly by the company, in addition to having their income turned over to the company.

Article 216 Companies that fail to set aside money as statutory common reserve funds and statutory common welfare funds as prescribed in this law shall be ordered to make up for the sum of money accordingly, and shall be imposed a fine of no less than 10,000 yuan or no greater than 100,000 yuan.

Article 217 Companies which fail to inform or issue a public notice to their creditors in cases of merger, break up, or reduction of registered capital or liquidation shall be ordered to rectify accordingly, and shall be fined a sum of no less than 10,000 yuan or no greater than 100,000 yuan.

While undertaking liquidation, companies that conceal their property, falsify their records on their balance or inventory sheet, or distribute company property prior to settling their debts shall be ordered to rectify accordingly, and shall be fined a sum equivalent to between 1 to 5 percent of the value of the concealed property, or the amount which has been distributed by the companies before settling their debts. A fine of no less than 10,000 yuan or no greater than 100,000 yuan shall be imposed on principal officers and other personnel directly responsible. When a crime is constituted, criminal responsibility shall be affixed according to the law.

Article 218 A liquidation group that fails to submit a liquidation report to the company registration organ in accordance with the provisions of this law, or that submits a liquidation report with certain important facts concealed or with serious omissions, shall be ordered to rectify accordingly.

Members of a liquidation group who use their powers to bend the law for personal gain and commit irregularities, seek illicit income, or seize company property shall be ordered to return the company property, have their illegally acquired income confiscated, and may be fined a sum equivalent to no less than one time or no greater than five times their illicit income. When a crime is constituted, criminal responsibility shall be affixed according to the law.

Article 219 In case organizations undertaking assets valuation, capital verification, or documentary verification are found to have furnished false documents of evidence, they shall have their illicit income confiscated, and shall be fined a sum equivalent to no less than one time or no greater than five times their illicit income. In addition, the competent authority may order the organizations to stop operations, and shall revoke the license of personnel

directly involved. When a crime is constituted, criminal responsibility shall be affixed according to the law.

In the event organizations undertaking asset valuation or capital and document verification are found to have presented by mistake reports with major omissions, the organizations shall be ordered to rectify accordingly; in serious cases, they may be fined a sum equivalent to no less than one time or no greater than five times their income, and the competent department concerned may order such organizations to wind up their operations and may revoke the licenses of directly responsible personnel.

Article 220 In case a competent department authorized by the State Council grants approval to an application for establishing a company which does not meet the conditions prescribed by this law, or grants approval to an application for issuing shares not in conformity with the conditions stipulated in the provisions of this law, disciplinary action shall be taken in serious cases according to the law against officers directly responsible and other personnel directly involved. When a crime is constituted, criminal responsibility shall be affixed according to the law.

Article 221 In serious cases when applications for floating shares, public listing of shares, and issuing of bonds not in conformity with the conditions prescribed by this law are approved by the State Council's Securities Administrative Department, administrative disciplinary action shall be taken according to the law against officers directly responsible and other personnel directly involved. When crimes are constituted, criminal responsibility shall be affixed according to the law.

Article 222 In serious cases when applications for company registration not conforming to the conditions prescribed by this law have been approved by the company registration, disciplinary action shall be taken according to the law against officers directly responsible and other personnel directly involved. When a crime is constituted, criminal responsibility shall be affixed according to the law.

Article 223 In case the department superior to a company registration organ arbitrarily instructs the latter to accept applications for company registration which do not meet the conditions prescribed by this law, or to accommodate and cover up illegitimate registration, disciplinary action shall be taken against officers directly responsible and officers directly involved. When a crime is constituted, criminal responsibility shall be affixed according to the law.

Article 224 A limited liability company or limited liability stock company which has been illegally registered but has taken the name of a limited liability company or limited liability stock company shall be ordered to rectify or be outlawed; it may be fined a sum of no less than 10,000 yuan or no greater 100,000 yuan. When a crime is constituted, criminal responsibility shall be affixed according to the law.

Article 225 In cases when a company has not commenced operation for more than six months after its establishment

without a valid reason, or when a company has ceased operation on its own for more than six months after opening for business, the company registration organ shall revoke the company's business license.

Companies which fail to file registration whenever changes occur to certain registered items in accordance with the provisions of this law shall be ordered to register accordingly within a specified period; failure to register within this period shall be fined a sum of no less than 10,000 yuan or no greater than 100,000 yuan.

Article 226 Foreign companies which establish branches within Chinese territory without authorization and in violation of the law shall be ordered to rectify the situation or close down; in addition, they may be fined a sum of no less than 10,000 yuan or no greater than 100,000 yuan.

Article 227 In case the competent authority conducting examination and approval in accordance with this law refuses to grant approval to applications which meet the statutory conditions, or in case the company registration organs refuse to grant approval to applications which meet the statutory conditions, the parties concerned may apply for reconsideration or start administrative proceedings according to the law.

Article 228 Companies which have contravened the provisions under this law shall be liable for civil compensation and be liable to pay fines and penalties accordingly; when companies' property is insufficient to meet such disbursement, the companies concerned shall first bear the responsibility for civil compensations.

Chapter XI Supplementary Provisions

Article 229 Companies registered and established in accordance with laws and administrative rules as well as regional laws and regulations, and the "Suggestions for Standardizing Limited Liability Companies" and "Suggestions for Standardizing Limited Liability Stock Companies" formulated by the relevant competent departments under the State Council prior to the implementation of this law, may retain their status as such; companies which do not fully meet the conditions stipulated under the provisions of this law should make efforts to comply accordingly within a prescribed period. Specific measures for implementing this law shall be formulated separately by the State Council.

Article 230 This law shall take effect on 1 July 1994.

Trade Official Interviewed on Law

OW1601210294 Beijing XINHUA Domestic Service in Chinese 0824 GMT 12 Jan 94

[Interview with Chen Qingtai, vice minister of the State Economic and Trade Commission, by unidentified reporters on 12 January; place not given]

[Text] Beijing, 12 Jan (XINHUA)—[Reporter] The Fifth Session of the Eighth National People's Congress Standing Committee officially passed the "Company Law of the

People's Republic of China." In your opinion, what is the practical significance of its promulgation and implementation?

[Chen] The Company Law just passed is the first company law of New China as well as an important law for the establishment of a socialist market economy. Its formulation embodies the guidelines of the Third Plenary Session of the 14th CPC Central Committee on closely integrating reform policy with legislation policy and on using law to guide, expedite, and protect the smooth progress of reform. The law was formulated and will be implemented for the purpose of providing a legal basis for the organization of the new enterprise type. It is significant in terms of meeting the needs of establishing a modern enterprise system and promoting the development of a socialist market economy.

[Reporter] What role does the Company Law play in establishing a socialist market economy?

[Chen] The role played by the promulgation and implementation of the Company Law in establishing a socialist market economy is mainly manifested in the following four aspects:

1. It is conducive to standardizing the market's behavior in the organization of its principal part, to invigorating enterprises, to deepening reform of enterprises, to establishing a modern enterprise system, and to enabling a good market order to take shape.

2. It is conducive to accelerating the pace of transforming enterprises' operating mechanisms; to clearly defining property rights involved in relationships and improving the legal person system of enterprises; to protecting the accumulation and circulation of funds; to protecting the legitimate rights and interests of companies, shareholders, and creditors; and to promoting scientific and democratic decision-making through a legal system by enterprises in operation and management, thereby enabling them to become truly legal person entities.

3. It is conducive to accelerating the nurture and improvement of a market system, standardizing transactions on the market, and maintaining the order of fair competition, thereby giving play to the basic role of the market mechanism in the distribution of resources.

4. It is helpful for the government to change functions, exercise administration according to law, truly separate its functions from those of enterprises, and thereby employ legal means to conduct macroeconomic regulation and control in a better way to promote sustained, rapid, and healthy national economic development [cu jin guo min jing ji chi xu kuai su jian kang fa zhan 0191 6651 0948 3046 4842 3444 2170 4958 1816 6643 0256 1660 4099 1455] as well as sweeping social progress.

[Reporter] How will you properly organize the study and propaganda of the Company Law now that it has been promulgated?

[Chen] After the Company Law was promulgated and before it officially goes into effect on 1 July, first of all, we must properly organize its study and propaganda in order that people may understand the essence of its guidelines and be familiar with its specific articles and regulations. The economic and trade commissions at all levels must adopt various forms to conduct intensive study and propaganda and, in particular, must properly organize its study by the leaders of large and medium-sized state enterprises. We must widely publicize basic knowledge concerning the Company Law, and treat the task as an important element of the "second five-year plan" for the economic and trade commissions and their affiliated organizations to popularize laws. This is a prerequisite for the implementation of the Company Law.

[Reporter] How can the Company Law be effectively implemented in the course of deepening reform of enterprises and in the course of establishing a modern enterprise system?

[Chen] The implementation of the Company Law is an arduous and complicated task. First of all, it must be conducted in an organized way and step by step under the unified leadership of the State Council. We must stress practical results in reorganizing state enterprises through experiment with selected enterprises according to the Company Law. Special attention must be paid to successfully handling the relationship between the transformation of operating mechanisms and the reorganization of an enterprise into a company system. Only those state enterprises whose conditions are ripe can be gradually reorganized into companies. However, such reorganization must be carried out in accordance with certain formalities and procedures and in a steady way. Companies cannot be established or inflexibly reorganized from those state enterprises whose conditions are not ripe. Least of all are state enterprises permitted to rush headlong into reorganization as if it were a mass activity. Do be careful not to misinterpret this good "sutra." In short, if the company system, as a scientific form of enterprises' organization, is to truly give play to its role, we must insist on standardization and on establishing companies or reorganizing enterprises into companies according to law.

[Reporter] Could you please discuss how to specifically implement the Company Law by linking the implementation with the duties of the State Economic and Trade Commission?

[Chen] As a department under the State Council responsible for comprehensive management of the national economy, the State Economic and Trade Commission has the responsibility to play its due role in the implementation of the Company Law under the unified plan of the State Council. The Company Law is the most important law standardizing the principal part of the market; supportive laws and provisions are still needed to facilitate its implementation. With the approval of the State Council, we must vigorously work with other relevant departments to formulate appropriate, supportive laws and provisions, such as those governing the reorganization of state enterprises into limited liability companies, limited liability

stock companies, and wholly state-owned companies, while successfully conducting study and propaganda of the Company Law. No matter whether state enterprises are selected for reorganization on a trial basis or reorganized to implement the Company Law, they must be protected by well-considered supportive laws and provisions. Successfully implementing the Company Law is a matter of great importance that has a bearing on the overall situation of reforming enterprises and establishing a socialist market economy. We must make vigorous efforts to safely do a good job of it.

[Reporter] At a national economic and trade work conference held not long ago, the State Economic and Trade Commission proposed a plan to "either transform the operating mechanisms of or establish a modern enterprise system among 10,000 large and medium-sized state enterprises, 1,000 key enterprises, 100 different types of large and medium-sized state enterprises, and enterprises in 10 cities or prefectures" this year. Does the task have anything to do with the implementation of the Company Law?

[Chen] The above-mentioned plan which we proposed to carry out is an important step and a useful tool for deepening reform of enterprises and for establishing a modern enterprise system. Its main purposes are to facilitate enterprises' participation in the market and their transformation into a principal part of the competition operating independently, and to further accelerate the pace of the transformation of state enterprises' operating mechanisms and the adjustment of enterprises' organizational structure, thereby laying a sound foundation for the establishment of a socialist market economy. The implementation of the above plan is closely related to the implementation of the Company Law. We must conduct reorganization of state enterprises into companies in strict accordance with the Company Law and its supportive laws and regulations. Meanwhile, we must bring about an organic integration between the implementation of the Company Law and the continued successful implementation of the "Enterprise Law" and the "Regulations" on transforming state enterprises' operating mechanisms.

Column Notes Progress in Commodity Supply
HK2601054594 Beijing RENMIN RIBAO in Chinese
23 Jan 94 p 1

["Review and Prospects" column by staff reporter Li Jianxing (2621 1696 5281): "Goods Supply: From Scarcity to Abundance"]

[Text] The ration coupons and certificates shown here have now become collector's items. But for decades before reform and opening up, and even in the first few years after reform and opening up began, they were in control of the Chinese people's daily life all the time.

At that time, no matter what you wanted to buy, you had to have ration coupons or certificates. Almost everything, be it food, clothing, houses, utensils, or transport, had to be obtained with "the tickets." Someone once did a survey

and found that, in the 1970's, every person in Guangzhou typically carried as many as 65 commodity ration coupons and certificates.

When discussing grain coupons, an old comrade said with emotion: In the 1960's and 70's, when you were going on a business trip, you first had to take your ration book to the grain store to get grain coupons. You had to take grain coupons with you when you were away from home to attend a conference or to stay in a hotel. Even having a breakfast or snack out required grain coupons. But today the situation is really good. Not only were bicycle ration coupons, color television ration coupons, soap ration coupons, sugar ration coupons, and oil ration coupons all scrapped long ago, even grain coupons—which had the largest variety, biggest quantity, and longest history among all ration coupons—have been abolished.

Over the past 15 years of reform and opening up, alongside the rapid development of China's economy, commodity supply has become more and more sufficient. In 1992, the national commodity retail volume reached 1.0894 trillion yuan, seven times the 1978 figure, representing a net increase of 933.6 billion yuan. In rural areas as well as in urban areas, shops have such a comprehensive array of goods that there is just about everything one would expect to find. In 1992, the retail volume of consumer goods nationwide reached 961.3 billion yuan.

In the 15 years of reform and opening up, the life of the Chinese people can be compared to sesame in bloom, with each flower growing higher than the last. However, we still have quite a long way to go to reach the goal of "moderate prosperity," and our country's national income is still rather low compared to developed countries. This is especially true with peasants, whose per-capita annual income last year was only approximately 800 yuan. This requires us to vigorously throw ourselves into reform and economic construction, work hard to develop production, create more material wealth, and satisfy the ever-rising demand of the general public for material and cultural life.

Official Discusses Increasing Consumer Protection

OW2501090994 Beijing XINHUA in English 0839 GMT 25 Jan 94

[Text] Shenyang, January 25 (XINHUA)—The Chinese people have become increasingly more consumer-conscious and learned to protect their rights by resorting to legal instruments.

A case in point involves two young women who won a law suit last year for illegal body search by a shopping center which suspected them of shop-lifting.

According to Cao Xiaoqi, deputy secretary-general of the China Consumers Association, with the support of governments at all levels, a consumer protection network now covers the whole country, embracing about 40,000 organizations.

Meanwhile, the country's first consumer law came into force at the beginning of this year, which stipulates that a

consumer may claim for compensation doubling the amount of the goods bought if the goods were found to be false or not up to standards.

Now more and more consumers are learning to fight encroachments on their rights, such as short weight, defective or shoddy goods, and poor service, Cao said.

He said that since the association was established in 1984 such organizations have spread all over the urban and rural areas.

In addition, some far-sighted companies have also set up their own consumer-protection units so as to earn a good reputation.

So far, China's industrial and commercial units have set up 25,000 stations to deal with consumers' feedback on their products.

Meanwhile, consumers associations closely co-operate with the news media. As a result, a number of enterprises, which have severely damaged consumers' interests while refusing to pay for losses, have been exposed to the public.

In line with the nationwide campaign to stamp out shoddy and false goods, the associations make spot checks on a wide range of goods, covering electrical appliances and food, Cao said.

During the past nine years the country's consumers associations have handled 1.6 million complaints from consumers, over 95 percent of which have been settled with nearly 600 million (about 67 million U.S. dollars) in compensation for consumers. Offenders have been fined a total of 40 million yuan (about 4.5 million U.S. dollars).

Ministry Urges Laws To Protect Workers' Health

HK2501071194 Beijing CHINA DAILY in English 25 Jan 94 p 3

[By Cao Min: "Law Urged to Protect the Health of Workers"]

[Text] Labour Ministry officials are pushing for a draft law on occupational disease control in the wake of the many serious cases of industrial dust pollution reported recently.

They also are urging an education drive to make workers in enterprises, especially in foreign-funded and private ones, aware of protecting their health, rights and interests through current regulations.

Last year, more than 10,000 new industrial projects were checked on occupational safety and hygiene, according to Lin Xiaoning from the Labour Ministry.

Those factories which did not pass the examination have been ordered to make improvements within a fixed time before going into operation.

But Lin did not give the exact figure of the factories failing to pass the check.

He complained that some enterprises and even local governments had ignored poisonous dust and other materials that brought great harm to workers' health.

A report by the local health department shows that at least 5,000 shoe workers are suffering from benzene poisoning in Wenzhou, Zhejiang Province. With 4,000 shoe producers, shoe making is a major industry in the city.

The Beijing-based Health News reported that 72 to 73 per cent of the workshops in the city's shoemaking industry had benzene density in the air beyond allowed limits.

A woman worker was killed by the poisonous air at a privately-owned shoe heel workshop where four women worked in a nine-square metre room. The consistency of benzene in the air was found 20 times higher than the State standard.

The Beijing-based China Environment News also reported a similar situation in the foreign-funded shoemaking industry in Hainan Province.

It said the provincial government officials have decided that any projects likely to cause environmental pollution would not be introduced into the country's largest special zone any more.

The capital city of Beijing is also not exempt from the problem.

The municipal government has promised to help check poisonous dust in foreign-funded enterprises.

According to Lin Qiu, Deputy Director-General of the Beijing Labour Bureau, the health of about 100,000 workers is affected by poisonous dust in local enterprises.

Commentator on Labor Flow, Spring Festival

*HK2401141794 Beijing RENMIN RIBAO in Chinese
20 Jan 94 p 4*

[Commentator's article: "Do a Good Job of Easing the Flow of Laborers Around the Spring Festival"]

[Text] With the Spring Festival approaching, the population flow in China this year is about to reach its peak. Among those travelling, laborers seeking jobs outside their provinces are a large proportion. As predicted by pertinent departments, the total number of laborers flowing from region to region during the Spring Festival this year will exceed 10 million. For this reason, persons in charge of various localities and departments should make appropriate preparations and concerted efforts to straighten out the flow of laborers around the Spring Festival.

Over the past few years, along with the urban and rural economic development, the shift of rural surplus labors to nonagricultural sectors has gathered pace, and laborers seeking jobs outside their regions have repeatedly increased. This has become a phenomenon in China's economic life, which merits people's attention. Thanks to the growth of agricultural productive forces and the markets of production factors, the emergence of such a phenomenon in China's economic life during the transition

period from an agricultural to an industrial country, and from a backward to a modernized economy is, to a certain extent, inevitable. On the one hand, it has accelerated the mutually promotive and beneficial economic relationships among various regions, which is conducive to the improvement of peasants' lives and the enhancement of economic level as a whole, but on the other hand it has brought forth problems having an adverse impact on production, living order, social stability, and so on, owing to the blind flow on a large scale. In this regard, governments and functional departments at all levels should fully exercise their role of macroscopic regulation and control and play a positive part in actively cultivating and fostering labor markets, providing services to the rural population, and straightening out the flow of laborers with a view to bringing about the development, utilization, and rational distribution of rural labor resources, boosting economic construction, and maintaining good social order.

The work to direct the flow of laborers during the Spring Festival is difficult to tackle and demands high techniques for its numerous links and concentrated tasks to be fulfilled in a short period of time. On the basis of summing up past experience, various localities and departments should study and work out measures and emergency plans to direct the flow by conscientiously intensifying leadership and meticulously organizing the masses to ensure that all measures are carried out in good time. In light of the quantity and direction of the flow, the railway and communication departments should draw up plans in advance and make proper arrangements for transportation. In the arrangements of tickets, runs, flights, and so on, efforts should be made to convenience the returning laborers, and the communication system should undergo strict technical and standardized examination to really ensure passengers' safety. Departments in charge of labor power in various localities should seriously perform their duties of organization, management, coordination, and others so as to keep abreast of the condition of the flow. Public security departments should properly organize the police force to maintain order in stations and ports as well as on traffic lines, and severely crack down on road robbers and other criminal activities so as to strengthen the sense of safety among the masses.

The work to direct the flow of laborers is an important policy issue. In treating the masses, first of all, it is necessary to provide good services to them, pay attention to the work method in handling the matter, take an amicable and cordial attitude toward them, and refrain from being harsh and impetuous, lest it should sharpen the contradiction. Departments in charge of labor power and civil affairs should coordinate with other departments in patiently persuading and helping the transients to return home as early as possible. Propaganda departments should vigorously publicize the necessity of rational transference and orderly flow of rural surplus labor, disseminate the good experience in transference to work in local or nearby regions and organized exports of labor, and make peasants realize the drawbacks of seeking jobs in other regions. It is necessary to correctly explain and implement the party's policies so as to prevent peasants from misunderstanding

these policies. In light of the seasonal and periodic characteristics and law governing the flow of rural laborers, leading cadres in various localities should pay close attention to carrying out the guidelines of the Third Plenary Session of the 14th CPC Central Committee and, while studying the issue of agricultural development, study and formulate policies and measures to facilitate the employment and utilization of rural laborers and boost labor markets, so as to take the initiative in settling the problem at an early date and in an effective way.

The work to direct the flow of laborers around the Spring Festival is a major event that has a bearing on the immediate interests of and the social stability for millions upon millions of peasants. All localities and departments should fully realize its importance and take the work as a specific content of transforming government functions, changing work style, and doing practical things for the people. Hence, efforts should be made to do the work appropriately so that the vast numbers of people in cities and villages can spend a joyful and auspicious Spring Festival, thus making a good start for the work in the coming year.

Zou Jiahua: Coal Mines Must Be Market Oriented

OW2501103694 Beijing XINHUA Domestic Service in Chinese 0855 GMT 15 Jan 94

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 15 Jan (XINHUA)—Speaking at an informal meeting with persons in charge of provincial coal administrations and major mining bureaus in the country yesterday evening, Vice Premier Zou Jiahua urged them that, after the nation has decontrolled coal prices, they should strive to adapt themselves to the new situation and push the nation's coal industry to operate according to market needs.

Zou Jiahua began his speech by relaying the cordial regards of the CPC Central Committee and the State Council to the country's coal workers who have contributed significantly to the national economic development. After hearing reports of the Datong Mining Bureau, the Jixi Mining Bureau, the Chongqing Coal Company, and the Capital Coal Construction Company, Zou Jiahua said that, after coal prices have been decontrolled, the country's coal industry will confront a new situation where production decisions have to be made according to market supply and demand. In view of this the nation's coal industry must come up with new measures adaptable to the new situation. He said: After several decades, Chinese coal enterprises have become used to the planned economic management, and the traditions that the state was responsible for drawing up production plans, supplying equipment, allotting production capital, and buying up products are deep rooted. Under the market economic system, coal enterprises not only must study how much coal they should produce, but also how much they can sell; and not only must they study the domestic market, they must also study the world market. The decontrolling of coal prices does not

mean that coal enterprises can set prices themselves. It means market prices must be determined by buyers and sellers according to market needs. From now on the state will draw up coal production plans according to market needs.

Zou Jiahua pointed out: After they enter the market, coal enterprises must lower their production cost and increase their productivity, otherwise they cannot possibly compete there. Overstaffing has been one longstanding problem plaguing China's coal industry. Coal miners from now on must foster their militancy and hardworking spirit and make great efforts to diversify operations.

Zou Jiahua concluded by saying that coal mines must intensify their production safety after entering the market. He said: Leaders of coal enterprises in the country not only must pay attention to returns, but also safety, which is even more important. Efforts must be made so that, under the new situation marked by market economy, the production will be safer each year and the mortality rate of coal miners will continue to drop for the output of 1 million tonnes of coal.

Official Cites Negligence For Last Year's Fires

OW2501115694 Beijing XINHUA in English 1127 GMT 25 Jan 94

[Text] Beijing, January 25 (XINHUA)—China today reported the outbreak of more than 38,000 fires in 1993, in which 2,467 people were killed and 5,977 injured.

According to Liu Shipu, director of the Fire-Control Bureau of the Ministry of Public Security, direct losses of the fires in 1993 amounted to 1.12 billion yuan, the heaviest since the founding of the People's Republic of China in 1949.

Liu attributed the frequent outbreaks of the fires to the increase of sub-standard construction projects and of enterprises dealing with combustibles, management chaos in the fire prevention sector in some departments, poor quality of certain employees, as well as insufficient fire-fighting equipment.

He said another major factor was that some enterprises and localities raced for economic profits, at the expense of fire-prevention.

A breakdown of the fire figures shows that 57 percent of the 206 large-scale fires broke out in the booming coastal areas and 10 percent in foreign-funded ventures.

Liu called on governments at all levels to implement strictly the laws and regulations regarding fire-prevention.

He also urged that more funds should be put into the revamping of fire-control equipment and infrastructure.

In 1993, 36 Chinese fire-fighters lost their lives and more than 2,000 were injured on duty.

Progress Made in Rural Financial Reform

HK2401124294 Beijing RENMIN RIBAO in Chinese
12 Jan 94 p 2

[By Wang Lingling (3769 3781 3781) and Wang Hua (3769 5478): "Progress Made in Reforming and Developing the Rural Financial System; Rural Residents' Savings Exceed 600 Billion Yuan"]

[Text] The reform and development of the rural financial system took another step forward in 1993. Up to the end of last year, the savings of the Agricultural Bank of China and credit cooperatives had already reached 827.9 billion yuan, 157.2 billion yuan more than at the beginning of the year. The balance of various loans was 968 billion yuan, 176 billion yuan more than at the beginning of the year.

Last year, the Agricultural Bank of China at all levels, proceeding from the overall situation, exercised strict control over the total volume of credit, comprehensively implemented relevant rules, and collected 5.8 billion yuan of funds lent in violation of the rules. Under circumstances in which savings slid and banks had difficulties with funds, the Agricultural Bank of China and credit cooperatives at all levels always put the organization of funds in the most important position and rural savings reached 610.2 billion yuan by the end of the year, 126.3 billion yuan more than at the beginning of the year. This has laid a firm foundation in terms of funds for providing support to agriculture in the future. The Agricultural Bank of China, taking ensuring payment as the prerequisite, gave priority to meeting the need for funds for agricultural development and to the purchase of agricultural and sideline products and focused its support on developing "high output, high efficiency, and high quality" agriculture, invigorating agriculture with science and technology, and helping the poor and providing relief to victims of natural disasters. In 1993, the Agricultural Bank of China and the credit

cooperatives granted agricultural loans totaling 232.9 billion yuan, 30 billion yuan more than the previous year. To give support to the purchase of agricultural and sideline products and to ensure purchasing enterprises would not give IOU's to peasants, in 1993 the bank and the credit cooperatives granted loans for the purchase of agricultural and sideline products totaling 243 billion yuan, 1.3 billion yuan more than the previous year, thus ensuring the smooth progress of the purchase of agricultural and sideline products throughout the year.

Correction to Accounting Law Amendments

OW2001083294

The following correction pertains to the item headlined "Amendments to Accounting Law Noted," published in the Economic & Agricultural section of the 13 January China DAILY REPORT, pages 55-57:

Page 56, column two, third full paragraph of column, second sentence, make read: ...departments. Units which do not have conditions for establishing... (supplying dropped word "not")

Correction to Commentary on State Enterprises

OW1701130994

The following correction pertains to the item headlined "Commentary on 'Challenges' for State Enterprises," published in the Economic & Agricultural section of the 14 January China DAILY REPORT, pages 29-31:

Page 30, column one, first full paragraph, sixth sentence, make read: ...which results in excessive input for enlarged reproduction [kuo da zai sheng chan—2368 1129 0375 3932 3934] and the depletion of the means for simple reproduction [jian dan zai sheng chan—4675 0830 0375 3932 3934]. Since 1993—the second half.... (rewording, providing STC's)

East Region

Anhui Province Increases Agriculture With Foreign Funds

OW2601081194 Beijing XINHUA in English 0744
GMT 26 Jan 94

[Text] Hefei, January 26 (XINHUA)—Anhui, one of China's major agricultural producers, has used some foreign capital to boost its agriculture.

Figures just released show that the province has used 380 million yuan loaned by the World Bank, and has since 1980 been aided by international organizations in the development of farm and irrigation projects in the plains and in helping areas hit by disasters.

By now, many farm capital projects have been carried out and more than one million hectares of low-yield farmland transformed and improved.

One example is a farm project in the plain north of the Huai River in the province, which was listed as part of the overall north China plain agricultural project.

Through a ten-year effort with loans from the World Bank, farmers involved in the project have dug and dredged 7,500 kilometers of irrigation canals and ditches dotted with pumping stations; built more than 400 kilometers of roads; installed 1,168 kilometers of cables and planted 47 million trees around the farmland.

They have also changed the production pattern, to develop quality and efficient agriculture and animal husbandry while setting up rural industrial enterprises.

The work was highly praised by officials of the World Bank who visited Anhui last year.

Anhui Province Steps Up Efforts To Increase Revenue

OW2501211694 Hefei ANHUI RIBAO in Chinese 10
Jan 94 p 1

[Unattributed report: "Anhui Raises Financial Work to New Level"]

[Text] Last year, thanks to all levels of governments' further unified thinking on financial management, stepping up reform efforts, expanding sources of revenue, and cutting back on spending, the finances of the entire province rose to new heights. According to statistics, the province's financial revenue in 1993 was 7.32 billion yuan, an increase of 32.7 percent over the same period last year. At the same time, because of strict controls on and a rational arrangement for spending, the province basically realized a balance in revenues and expenditures and satisfactorily fulfilled the 1993 financial targets set out by the new term of the provincial government.

Because of correct decisionmaking, the provincial CPC committee and the provincial government achieved satisfactory results. Last year, in view of the province's difficult financial situation, the provincial CPC committee and the provincial government called on all localities to build up

confidence and to reverse the financial situation. They called for achieving 7 billion yuan in revenues in 1993 and for realizing a basic balance in revenues and expenditures. They worked out an eight-point plan on promoting the financial work and set out specific demands on reaching the targets for financial revenue and balance, and on devising measures to realize these targets. The provincial government also signed letters of responsibility with provincial financial departments, various commissions, and city governments.

At the same time, all levels of departments changed their thinking on financial management and also implemented the thinking of self-reliance, of increasing revenues and reducing expenditures, and of striving to achieve a balance through their own efforts. Party committees and governments increased and strengthened their support and leadership over financial work and exerted more effort to explore new sources of revenue and to cut expenses. While striving to increase sources of revenue, many local governments also made efforts to rectify defects in the fiscal contract responsibility system, to prevent revenue losses, to exercise strict control over granting tax reductions and tax exemptions, and to ensure the steady growth of financial revenues. In 1993, prefectures and cities witnessed a comprehensive growth in revenues. The province recorded a breakthrough in revenues of more than 6 billion yuan, which was followed by another breakthrough in revenues of more than 7 billion yuan. Many localities not only achieved a balance in revenues and expenditures but also eliminated some of their past deficits. None of the counties under the jurisdiction of Xuancheng Prefecture suffered financial deficits over the past decade. The province's deficits in 1993 were down from the projected deficits by more than 500 million yuan. The improved financial situation has greatly promoted the province's sustained, healthy, and rapid development of its economy.

Fujian Secretary Attends Military District Meeting

HK2601102394 Fuzhou Fujian People's Radio Network
in Mandarin 2300 GMT 21 Jan 94

[Text] The Sixth Enlarged Session of the Fujian Military District's Sixth Party Committee concluded in Fuzhou a few days ago. Jia Qinglin, secretary of the provincial party committee, provincial governor, and first secretary of the provincial military district's party committee, attended the session and made an important speech.

On behalf of the provincial party committee and government, Jia Qinglin expressed his kind regards to all officers and soldiers of the provincial military district and wished them a happy new year. He thanked all officers and men who have defended, supported, and contributed to Fujian's two civilizations. Subsequently, he briefed them on Fujian's achievements in establishing the socialist market economic structure and other aspects of social undertakings.

Jia Qinglin said: All these achievements cannot be separated from the support of the People's Liberation Army or from the hard work of soldiers and civilians.

Jia Qinglin pointed out: To scale a new height in economic development, Fujian needs a more stable and relaxed environment. Armed forces units in the provincial military district undertake the important responsibility of safeguarding the motherland's southeastern coast. They should have a strong sense of mission and responsibility, strengthen their training on combat readiness, improve their tactics and skills, and enhance their combat effectiveness.

Jia Qinglin stressed: In this new situation when we are stepping up the establishment of the socialist market economic structure, we should make major efforts to carry forward the Fujian Army's and civilians' glorious tradition in two-support work, strengthen the unity between the Army and the government and between the Army and civilians, enhance the friendship between the Army and localities and between the Army and civilians, and jointly create a safe and stable social environment.

The session summed up the provincial military district's work last year and arranged this year's work. At the session, the provincial military district commended a number of advanced units and individuals and conferred Merit Citation Class Two and Three on those who had performed extraordinarily well.

Fujian Leaders Discuss Problems With Factory Directors

HK2601102994 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 22 Jan 94

[Text] Yesterday afternoon provincial leaders Jia Qinglin, Wang Jianshuang, and Shi Xingmou met with managers and directors of several factories and enterprises in Fuzhou to discuss their difficulties and seek ways to resolve them. Provincial party Secretary and Governor Jia Qinglin requested that leaders of party committees and governments, as well as the relevant departments, visit enterprises and their employees' family members having difficulties, to deliver the warmth of the party and government. They should show concern for enterprises which have difficulties and their staff members' lives and regard this as their political task.

The Jinjiang shipping company, the Fuzhou canned food factory, the Fuzhou livestock farm, and the Fuzhou fireproof materials factory, which are all having difficulties, reported to the provincial leaders on their situations. After listening to their reports, Jia Qinglin made an important speech.

He said: This year is an important year for our province to [words indistinct]. There are factors causing difficulties currently arising in businesses. Leaders, the departments in charge of enterprises, and the enterprises themselves should actively seek ways to resolve their difficulties. In light of their special features and strong points, they should engage in diversified operations and explore tertiary industries.

He added: Using land superiority and foreign capital for transformation is a good method to free enterprises from

their difficulties. Leaders of governments and departments at all levels should also seek ways and opportunities to resolve these enterprises' problems and should improve the social insurance system so as to create good external conditions for these enterprises to eliminate their difficulties. Particular attention should now be paid to making good arrangements for staff members' lives so that they can spend the Spring Festival happily.

Jiangsu Province Reinforces Laws for Market Economy Growth

OW2601081094 Beijing XINHUA in English 0728 GMT 26 Jan 94

[Text] Nanjing, January 26 (XINHUA)—East China's Jiangsu Province has reinforced its laws to ensure the healthy development of the local market economy.

This, China's economically developed province took the lead in employing market mechanism and regulation.

The Standing Committee of the provincial people's congress has worked out and approved 46 regulations to guarantee economic expansion in recent years.

Included were 12 regulations which came into force last year.

In addition, local governments and judicial departments have strengthened the legal system.

Almost all the 118 courts in the province have set up judicial courts and mediation centers to handle economic disputes.

Most economic development zones, bonded zones and tourism and holiday zones in Jiangsu have set up law offices or agencies engaging in the export-oriented economy, banking and futures trading.

Judicial departments in the province handled 70,000 cases involving economic crimes and disputes last year.

Jiangsu's Rural Reform Contributes to Economic Development

OW2501145494 Beijing XINHUA in English 1259 GMT 25 Jan 94

[Text] Nanjing, January 25 (XINHUA)—Rural reforms which started in China in the late 1970s have made township enterprises a major contributor to Jiangsu Province's economic development.

In Jiangsu, township enterprises and tertiary industry in the countryside account for about half of its GDP—the value of goods and services produced.

In the rural areas of the province, township enterprises and rural tertiary industry rose to 86 percent of the total output value in 1993 from 50 percent in 1978, an 11 percent increase over that of 1991.

Traditionally, agriculture has been confined to the countryside in China and industry to cities. Township enterprises came into being only in the 1970s.

In 1978, township enterprises and other non-agricultural tertiary industries for the first time produced half of Jiangsu's agricultural output value. Their golden age came in the 1990s when the Chinese Government decided to develop the market economy in cities.

The past three years were the fastest development period for township enterprises in Jiangsu.

In 1992, the industrial output value produced by township enterprises increased by more than 100 billion yuan over the previous year to 300 billion. In 1993 it leapt to 400 billion yuan.

Seven of the top 10 most developed counties in China are in Jiangsu.

In 1993, township enterprises in the province contributed to about 45 percent of the province's revenue turned over to the state.

For the past few years, about three-fourths of the province's increased GDP has come from the countryside, where 80 percent of the added output value has come from township enterprises.

Meanwhile, township enterprises have exerted influence on the layout of China's cities. Thousands of small towns which have been born and prospered on the basis of township enterprises link the countryside with cities. In some areas, cities can hardly be distinguished from the countryside.

Jiangxi 1993 Revenue Increases 30.6 Percent Over 1992

HK2601103694 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 21 Jan 94

[Excerpts] Last year Jiangxi's revenue amounted to 6.56 billion yuan, an increase of 30.6 percent over the previous year. In 1992, six counties, cities, and prefecture topped 100 million yuan in revenue. Last year, five more counties, cities, and prefectures topped 100 million yuan in revenue, and 40 counties, cities, and prefectures topped 40 million yuan in revenue, an increase of 17. Townships and towns which registered more than 1 million yuan in revenue were estimated at 425, an increase of 110. All townships and towns under Nanchang City jurisdiction also registered more than 1 million yuan in revenue. The town of Shizhou under Dexing City jurisdiction became the second town in the province which registered more than 10 million yuan in revenue. [passage omitted]

Last year industrial production increased by 38.9 percent, the gross agricultural output value increased by 5.1 percent, and the retail sales volume of social commodities increased by 21 percent, all creating conditions for the increase in revenue.

Prefectures, cities, and counties throughout the province formulated 299 preferential taxation policies. All levels of financial departments and banks cooperated with each

other in clearing negative taxes and in reducing expenditures for meetings, telephone calls, and traveling. [passage omitted]

Nanjing Bans Novel 'A City in Ruins'

HK2601074094 Hong Kong WEN WEI PO in Chinese 24 Jan 94 p A3

[Dispatch by special correspondent Ku Pei-tang (7357 1014 22768): "Nanjing Has Banned the Book 'A City in Ruins'"]

[Text] Nanjing 23 Jan (WEN WEI PO)—According to the local press, the 15 districts and counties under Nanjing's jurisdiction started to recall the book, "A City in Ruins," today, according to a just-issued explicit banning order.

The Nanjing City Office for Social and Cultural Administration adopted this measure based on a circular which was only received yesterday. On 20 January, the Beijing Municipal Press and Publications Administration issued a circular to the press and publications administrations of all provinces, municipalities, and autonomous regions, saying that, in line with the relevant stipulation of the State Press and Publications Administration, "the book 'A City in Ruins' falls in the category of publications containing contents that are pornographic, vulgar, of low taste, and are harmful to the physical and mental health of teenagers." The decision to deal with the book "A City in Ruins," published by the Beijing Publishing House, is as follows: "The printing and circulation of the book 'A City in Ruins' must be halted, and its reprinting banned. All copies that have already been printed but not yet circulated or which are being sold in the book market must be totally recalled; all of the Beijing Publishing House's profits derived from publishing the book 'A City in Ruins' should be confiscated in addition to a fine double that of the profits; Beijing Publishing House is ordered to write an examination for publishing the book 'A City in Ruins,' and the person responsible for the book 'A City in Ruins' will be seriously dealt with."

Shanghai Customs Classifies Foreign Trade Companies

OW2201134194 Beijing XINHUA in English 1245 GMT 22 Jan 94

[Text] Shanghai, January 22 (XINHUA)—Shanghai customs will begin a three-tiered classification system for companies dealing with foreign trade, according to customs director Cao Hengli.

"The move indicates that customs emphasis has been turned from the inspection of import and export goods to the oversight of companies dealing in the goods," Cao said.

With reference to international conventions, Shanghai customs will classify foreign trade companies in accordance with their internal operation and previous cooperation with customs.

The first class, including companies with a high business reputation, will enjoy preference and more preferential

treatment when undergoing customs affairs. So far there are altogether 24 such companies in Shanghai.

Companies with a less than stellar business reputation fall into the second tier, while those with poor management or suspected of illegal trafficking will have their import and export goods strictly examined at customs, the director.

Every year, the Customs Office will hold appraisals to upgrade or demote the companies according to their achievements.

Along with rapid economic growth, more than 9,000 companies were dealing with foreign trade in Shanghai by the end of last year. There were only some 200 companies in 1985.

During the same time, the value of import and export goods through customs increased from 14.87 billion U.S. dollars to 30.9 billion U.S. dollars.

Officials Say Shanghai Striving for Bigger Market Share

OW2601035094 Beijing XINHUA in English 0319
GMT 26 Jan 94

[Text] Shanghai, January 26 (XINHUA)—Shanghai, China's largest industrial metropolis, intends to expand its market share of industrial products this year, according to local officials in charge of industrial affairs.

Industrial enterprises are called upon to further readjust their production patterns to meet market demand. As a result, large industrial groups will be formed and overseas economic contacts will be greatly enhanced, the officials said.

The city is now making efforts to promote some of its pillar industries, such as automobiles, program-controlled telephones, facilities for power stations and computers.

A number of leading state enterprises, especially some chemical firms, will co-operate with established international companies to turn out high-tech products with great market potential.

Statistics show that last year the total industrial output of Shanghai increased by 18 percent over the previous year after three years of two-digit growth. The growth rate has been set above 15 percent this year.

Shanghai's Financial Sector Develops Healthily

OW2501093394 Beijing XINHUA in English 0746
GMT 25 Jan 94

[Text] Shanghai, January 25 (XINHUA)—Shanghai, China's largest economic center, will further cultivate its financial market and expand banking business this year.

According to Mao Yingliang, president of the Shanghai branch of the People's Bank of China, the financial sector has developed healthily with a stable banking setup, flourishing market, big increase in savings deposits and basically stable foreign exchange rates over the past year.

Mao noted that professional banks in the city granted loans in a timely fashion to support major state enterprises and construction of key state capital projects, and ensure the state purchase of farm and sideline products in 1993.

Shanghai has become the national center for securities exchanges. With 188 listed securities, including 123 stocks, its transactions topped 500 billion yuan-worth last year.

The Shanghai Securities Exchange, China's largest, has 481 members distributed across the country.

Its foreign exchange swap market clinched deals amounting to 5.294 billion yuan last year, an increase of 43.2 percent over the previous year and ranking first in the country.

The China Foreign Exchange Center, still under preparation, has linked up with six key cities in the country.

According to statistics, inter-bank loans in Shanghai last year rose by 37 percent over the previous year to 232.95 billion yuan.

In addition, seven foreign-funded banks have opened in this, China's most populous city during the last year, bringing the total number of foreign-funded banks in Shanghai to 26.

According to the bank president, Shanghai will continue to welcome the opening of foreign-funded bank branches and encourage the existing banking organizations to expand their business this year.

Foreign Trade Flourishing in Pudong New Area

OW2001045294 Beijing XINHUA in English 0304
GMT 20 Jan 94

[Text] Shanghai, January 20 (XINHUA)—The Pudong New Area, an economic zone in Shanghai, China's industrial and financial center, has witnessed a boom in foreign trade over the past year.

Statistics show that last year the area's import and export value hit some 2.59 billion U.S. dollars, accounting for 18.5 percent of Shanghai's total.

The foreign-funded firms, of which the import and export value reached about 1.06 billion U.S. dollars, are believed to have played a key role in promoting the area's foreign trade.

Meanwhile, the Waigaoqiao bonded zone in Pudong reported a total entrepot trade value of some 18 million U.S. dollars last year.

Japan, the United States, the European Community and Hong Kong are the main trading partners of the area, according to local officials.

Development of Pudong is of vital strategic importance as it is meant to lead the economic uplift of the entire Chang Jiang valley.

Shanghai's Leads Nation in Foreign Trade Volume

HK2101135694 Beijing RENMIN RIBAO in Chinese
11 Jan 94 p 1

[Dispatch by Guo Weicheng (6753 0251 2052): "Shanghai Ranks First Among Chinese Cities in Foreign Trade Last Year"]

[Text] Shanghai, 10 Jan (RENMIN RIBAO)—Shanghai Customs have firmly grasped the in-depth reform of their vocational work, promoted the work focus for economic development, and accelerated reform of the customs clearance system in a positive way. According to statistics, Shanghai's total value of import and exports reached \$30.93 billion in real terms last year, representing an increase of 23 percent over the previous year, and holding a leading position among cities nationwide.

Shanghai Customs, which is responsible for supervising and controlling goods going to and from Shanghai's port, has played an enormous role in promoting the functional development of Pudong New District and the Waigaoqiao Bonded Zone, supporting Shanghai's export trade, and expediting the construction of municipal infrastructure facilities and the development of new hi-tech industry. Last year, they helped over 2,200 enterprises, who took care of customs declaration work themselves, go through the formalities of customs registration and handle tax reduction or remission procedures for 10,000 consignments with a value of \$890 million, and 2.96 billion yuan in taxes was reduced or remitted, which represents an increase of 257 percent over the corresponding period last year.

Using the normal practices of free trade zones overseas for reference, Shanghai Customs has successively formulated eight measures for managing the Waigaoqiao Bonded Zone and practiced a new model of supervision and control, which is both simple and flexible, in the closed area of the zone, thereby achieving the objective of handling matters within the zone and pushing forward the comprehensive development of business in the bonded zone. Shanghai Customs has also taken the initiative in helping to boost Shanghai's foreign trade and vigorously broadening the scope of business in the bonded zone. A total of 21 new bonded factories and 34 bonded warehouses were approved last year. At present, Shanghai boasts eight bonded groups, 187 bonded factories, and 297 bonded warehouses, which have initially formed a bonded zone supervisory and management system characterized by comprehensive categories, multiple levels, and great adaptability.

Shanghai Auto Industry Registers 50 Percent Increase

OW2001150094 Beijing XINHUA in English 1228
GMT 20 Jan 94

[Text] Shanghai, January 20 (XINHUA)—Shanghai automobile sales topped 30 billion yuan in 1993, with a total net profit surpassing 2.5 billion, registering a hefty 50

percent rise from the year before, according to the latest statistics released by the municipal government.

The lion's share of the earnings came from the Shanghai Volkswagen Corp., a main producer of "Santana" sedans, and its related manufacturers.

The total output of Santanas jumped to 100,000 last year from 65,000 in 1992.

The production of the same make for the new year is targeted at 115,000, and a brand new model of Santana will appear on the market toward the end of the year.

At the same time, work has been stepped up on the second phase of the "Volkswagen" technical transformation project, and the year 1994 will see a new major auto-maker with a production capacity of 200,000 Santanas.

It was reported that the sales slump of Santana cars has been arrested thanks to new measures taken to promote sales. In addition, the auto's cost has been reduced as more than 80 percent of the parts are produced locally and import duties have been lowered on some parts.

All these have gone a long way to increase the competitiveness of Shanghai's automobiles.

Shandong Secretary Discusses Environmental Protection

SK2601063294 Jinan DAZHONG RIBAO in Chinese
28 Dec 93 p 1

[Excerpt] "We should regard environmental protection work as a major content to assess cadres' official performances." This is the remark on environmental protection recently made by Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhihao, governor of the province, that was relayed at the provincial environmental protection work conference. Comrade Jiang Chunyun said: Top leaders of the provincial party committee, the provincial people's congress standing committee, and the provincial government should all personally take a hand in environmental protection work. The provincial government and the provincial people's congress standing committee should assign special persons to take charge of this work. We should regard the success or failure in environmental protection work as one of major contents to assess the official performances of leading cadres. Those who perform well should be commended, and those who do not should be criticized and educated. Comrade Zhao Zhihao said: It is arduous and difficult for us to control environmental pollution. Principal leading comrades of party and government organizations must personally take a hand in this work and list it as a major item on their daily agenda.

The provincial environmental protection work conference was held in Taian from 25 to 27 December. The conference reviewed and summarized the province's environmental protection situation over the past several years and researched and arranged the tasks for the future work. The conference called for great effort to fulfill ahead of schedule the following targets, set by the Eighth Five-Year Plan: Basically stabilizing the quality of the atmospheric

environment of major cities in the province; preventing the source of drinking water of cities from being polluted and preventing the pollution of underground water from being worsened; lowering the environmental noise of major traffic lines and regions in the province; preventing the polluted degree and acreage of two rivers (Xiaoqing He and Yu He), two lakes (Nansi Lake and Dongping Lake), and two bays (Jiaozhou Bay and Laizhou Bay) from expanding; and bring the trend of the worsening natural ecological environment under control. [passage omitted]

Shandong Public Security Work Conference Ends

SK1801081194 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 17 Jan 94

[Text] The provincial public security, procuratorial and judicial work conference ended in Jinan on the morning of 17 January. Li Wenquan, deputy secretary of the provincial party committee, gave a summing-up speech in which he pointed out: All localities and departments should step up efforts to implement the guidelines of this conference, and in the course of implementation, pay particular attention to persisting in seeking truth from facts and give prominence to local characteristics.

Li Wenquan said: This conference has concentrated on the study of issues of security work that concern the overall situation and the formulation of this year's public security tasks, and has given prominence to priorities and put forward clear and specific tasks. In the future, all localities and departments should continue to pay attention to studying the documents of this conference, understand the essence of guidelines and strive to achieve a new leap forward in understanding, to discover new ways in work, and to make new achievements in work style.

Li Wenquan stressed: It is necessary to step up efforts to implement the guidelines of this conference and devise work plans as quickly as possible. In the course of implementation, we should persist in seeking truth from facts, guard against bureaucracy and formalism, do practical things, seek actual results, persist in proceeding from the reality, combine the central and provincial demands with local reality, pay attention to local characteristics, and follow a road with local distinctive features.

In his speech, Li Wenquan also called on all localities to realistically grasp well security work during this year's Spring Festival period.

Sun Shuyi, member of the standing committee of the provincial party committee and secretary of the commission on politics and law of the provincial party committee, presided over the conference.

Shandong Holds Conference of Party Schools

SK1901032294 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 18 Jan 94

[Text] The provincial conference of party schools of city and prefectural party committees was held on 18 January. The conference put forward demands on party schools at all levels, urging them to serve as an important front for

rotationally training and cultivating party-member leading cadres, training the party's theoretical cadres and studying, upholding and developing Marxist-Leninist-Mao Zedong Thought, and to become a furnace for enhancing the party spirit of cadres and for cultivating and tempering cadres.

Before the convocation of this conference, Jiang Chunyun, secretary of the provincial party committee and president of the Party School of the provincial party committee, put forward specific demands on the work of party schools. He said: During the past year, the whole province achieved noticeable improvements in both the work of party schools and reform. Party committees at all levels and all party schools should further intensify their consciousness on reform, regard the deepening of reform as the basic motivation for promoting the work of party schools and grasp it firmly and well until good results are achieved. We should carry out reform measures and methods that help the enhancement of teaching quality and the level of scientific research and the mobilization of enthusiasm and creativity in teaching and administrative staff according to our capability, and do our best.

The conference felt that under the new historical conditions, the tasks of party schools should not be lightened, but strengthened; the status of party schools have not been lowered, but become more important; and party school education should only be strengthened, but not weakened. Party committees at all levels should further strengthen leadership over the work of party schools and actively help them solve practical problems in the course of development. Financial departments at all levels should actively support party school education and construction with financial input. Party schools at all levels should vie to be the first-grade party schools with the spirit of reform and blazing new trials.

Dong Fengji, member of the standing committee of the provincial party committee and director of the Propaganda Department of the provincial party committee, attended and addressed the conference.

Shandong High-Tech Development Zone Makes Progress

OW2001034394 Beijing XINHUA in English 0250
GMT 20 Jan 94

[Text] Weihai, January 20 (XINHUA)—The Weihai High-Tech Development Zone in Weihai city, Shandong Province, is striving to attract more overseas capital this year.

According to plan, it is ready to house an additional 220 projects, of which 80 are industrial projects involving 3.5 billion yuan and 100 foreign-funded projects with 300 million U.S. dollars, this year.

Li Guodong, chairman of the zone's administrative committee, said the zone is one of the state development zones approved by the central government, and one of the "torch" high-tech industrial development zones designated by the state commission of science and technology.

A survey shows that the zone approved 215 foreign-funded projects last year, bringing the total figure to 550, with a combined investment of 7.6 billion yuan.

Aiming to develop itself into a high-tech industrial center, the zone houses 120 new- and high-tech industrial projects in the fields of micro-electronics, machinery and electrical appliances, new materials, energy and bioengineering.

The 20-sq-km zone, the construction of which started three years ago, has spent 1.6 billion yuan on infrastructural facilities.

Shandong Accelerates Road Construction

OW2501144594 Beijing XINHUA in English 1351
GMT 25 Jan 94

[Text] Jinan, January 25 (XINHUA)—East China's Shandong Province has greatly accelerated the construction of highways over the past year, in a bid to meet the needs of rapid economic development.

Some 2,988 km of highway were opened to traffic last year, which extended local highways to a total length of 46,033 km.

At present the province is leading the country with 9,714 km of such high-grade roads as expressways and grade-1 and grade-2 highways.

According to official sources, last year the province completed 77 road construction projects, including the expressway between Jinan, the provincial capital and Qingdao, a scenic coastal city, and the Dongming Highway Bridge across the Yellow River, involving a total investment of more than 2.1 billion yuan.

In addition, supporting facilities, such as petrol stations, motor repair shops and inns, were established along the roads.

Shandong is one of the provinces in China to have witnessed gigantic leaps in economic development over the past decade.

Zhejiang Province Increases Rural Industry, Agriculture

OW2601083794 Beijing XINHUA in English 0805
GMT 26 Jan 94

[Text] Hangzhou, January 26 (XINHUA)—Shen Peigen, an official of Xinjiang township in the Hangjiahu Plain in northern Zhejiang Province, is excited when he talks about the changes in his hometown.

"We used to depend on farming alone, and our lives improved only slowly," said Shen, secretary of the township committee of the Communist Party.

Encouraged by the government, the township has set up 160 enterprises in the fields of leather, light and textile industries, hardware and machinery, and building materials in addition to food-processing, chemicals and electronics over the past decade.

As a result, the township's industrial output value rose from 180 million yuan in 1991 to 260 million yuan in 1992, and to 508 million yuan last year, Shen said.

While boosting rural industry, the local government has encouraged farmers to arrange agricultural production and diversify the economy in line with market demands.

According to the latest statistics, Xinjiang turns out between 8,000 tons and 10,000 tons of grain a year.

Last year its gross output value reached 565 million yuan, sales income 910 million yuan, profits and taxes 59.34 million yuan and financial revenue 12.75 million yuan last year—all records.

Its farmers' incomes averaged 2,060 yuan per capita in 1993, also a record.

With more money in hand, farmers have built two- and three-story buildings to replace their single-story houses.

Most farmers have equipped their households with color televisions, refrigerators and cassette recorders, and some have even bought hi-fi sound systems and motorcycles. Many of them have a considerable amount of savings deposits in banks.

A provincial official in charge of agriculture said Xinjiang township is a typical example of townships across the province, which is leading farmers toward a comfortable life.

According to a rural development plan, the annual income of farmers in the province will reach 1,600 yuan per capita by the end of 1995, and 2,200 yuan by the end of this century.

The provincial government has conferred the title "townships with strong economic development" on 103 townships including Xinjiang.

Experts in rural development agree that the purpose of the rural economic reform is to promote the development of the rural commodity economy and gradually replace the traditional self-sufficient small-scale peasant economy with modern farming.

According to statistics, the past five years were a high point for the overall development of Zhejiang's rural economy.

Zhejiang's gross output value of farm, forestry, animal husbandry and fishery products last year reached 39.36 billion yuan, an increase of 18.7 percent over 1988.

Its rural industrial output value rose from 54.275 billion yuan in 1988 to 255.2 billion yuan last year, accounting for two-thirds of the gross provincial industrial output value.

Farmers' incomes climbed from 1,000 yuan per capita in 1990 to 1,590 yuan last year.

Economists here analyzed that the increase comes mainly from the diversified economy instead of only from growing grain.

Central-South Region

Guangdong Secretary Addresses Theory Study Meeting

HK2601102594 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 22 Jan 94

[Text] Yesterday afternoon, Xie Fei, CPC Central Committee Political Bureau Standing Committee member and Guangdong Provincial CPC Committee secretary, delivered an important speech at a meeting at which provincial department-level cadres from Guangzhou and across the province reported their study of the theory of building socialism with Chinese characteristics.

In his speech, Xie Fei first and foremost called for attaching great importance to theory study. He also called on leading cadres at all levels to take the lead in studying and applying the theory of building socialism with Chinese characteristics in the process of in-depth reform and rapid socialist market economic structure building, deeming it an important task at the moment.

Xie Fei maintained: In theory study we should concentrate on studying Deng Xiaoping's theory of building socialism with Chinese characteristics, as well as modern knowledge and socialist market economic theory. At present, we should focus on studying Volume 3 of the *Selected Works of Deng Xiaoping*, the Decision of the Third Plenary Session of the 14th CPC Central Committee, and the book *What Is the Socialist Market Economy*, as well.

In the end, Xie Fei emphatically stated: In order to push forward the ongoing modernization drive and basically realize modernization in Guangdong within a period of 20 years, we should strive to improve the quality of leading cadres, heighten their leadership standard, and refine their leadership skills. To this end, leading cadres at all levels should spend more time and devote more energies to theory study, take theory study as an important task, and successfully accomplish such a task as arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.

Shenzhen Measures To Ease Hong Kong Shipments

OW2101165994 Beijing XINHUA in English 1523 GMT 21 Jan 94

[Text] Hong Kong, January 21 (XINHUA)—A number of new measures will be implemented later this year at the check points in Shenzhen, a city in southern China which borders Hong Kong, to facilitate the land freight shipment between the two areas.

Speaking at a press conference held today in Shenzhen, Yu Xiaosong, a senior Chinese official with the State Council, said that the new measures were made to meet the increasing demand of the freight exchanges between the mainland and Hong Kong.

Yu, a vice minister of the State Commission for Economy and Trade, said that the six new measures which are

mainly designed to simplify procedures and save time for the freight vehicles passing through the three check points will be put into force on March 1, 1994.

Besides, the Chinese side has also decided to open the three freight check points for 24 hours a day later this year as a further effort to facilitate the freight exchanges between the two areas, said Yu, adding that this still entails discussions with the Hong Kong side.

Yu was in Shenzhen to attend a two-day on-the-spot business meeting organized by his commission to examine and solve the problems regarding the land freight shipment between the mainland and Hong Kong.

Shenzhen's Export Volume Reaches \$7.8 Billion for 1993

HK2401080094 Beijing RENMIN RIBAO in Chinese 12 Jan 94 p 1

[By Wang Chu (3769 2806): "Shenzhen's Export Volume Amounts to \$7.8 Billion Last Year"]

[Text] Shenzhen, 11 Jan (RENMIN RIBAO)—Shenzhen City's export volume, which has always put expanding exports and developing foreign trade in an important position, reached \$7.8 billion last year. This was the first time its export volume had exceeded that of Shanghai and it ranked first among the large cities in the country.

Last year, Shenzhen's foreign trade enterprises were troubled by undesirable factors such as shortages of funds, drastic fluctuations in foreign exchange rates, and difficulties in tax reimbursement. Shenzhen City government judged the hour, sized up the situation, did solid work for enterprises, pooled funds through various channels, made use of foreign trade and export regulation funds, and speeded up the checking of tax reimbursements. Thanks to the effective measures, Shenzhen's foreign trade enterprises were able to avoid a big slide in exports under an extremely difficult situation.

While consolidating its markets in Hong Kong and Macao, Shenzhen has made great efforts to develop its markets in the Asia-Pacific region and to open up market in the CIS, Eastern Europe, South America, and Africa. These are the main features of Shenzhen's foreign trade and exports last year. According to reports, Shenzhen's export volume to Africa last year was over 10 times that of the previous year and its exports to South America, and to the CIS and Eastern Europe were respectively 891.72 and 429.39 percent that of the previous year. The implementation of a pluralistic strategy in developing foreign trade markets has laid a firm foundation for Shenzhen City to increase its foreign trade and exports.

There were also reports on Shenzhen's success in earning foreign exchange with agricultural products and fresh and live products earned as much as HK\$1 billion [Hong Kong dollars] in foreign exchange last year.

New Hydropower Station Begins Operation in Hainan

OW1901022094 Beijing XINHUA in English 0045
GMT 19 Jan 94

[Text] Haikou, January 19 (XINHUA)—The first generating unit of the Daguangba Hydropower Station was put into operation a few days ago in the western part of south China's Hainan Province.

As one of the key national projects of the Eighth Five-Year Program (1991-1995), the project invited bidding for design in the country for the first time. Some new technologies have been utilized in its construction.

The dam of the station is 5,842 meters long, now the longest in China. Another three generating units, each with a generating capacity of 60,000 kw, will be installed.

After its completion in 1995, the station is expected to produce 520 million kwh every year. It will also irrigate an area of 67,000 hectares of the island province.

Work started in 1990 and the project used world bank loans of 67 million U.S. dollars in addition to Chinese investment.

Henan Secretary's Activities From 13 to 19 Jan

Attends Anticorruption Forum

HK1901154194 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 14 Jan 94

[Excerpts] The provincial party committee held a forum for locally based non-CPC-affiliated individuals on the afternoon of 13 January. Provincial leaders, including [Party Secretary] Li Changchun, Song Zhaosu, Zheng Zengmao, Song Guochen, and Hu Shujian, frankly exchanged views at the forum with individuals in charge of the provincial branches of various democratic parties, persons in charge of the provincial industry and commerce federation, and a number of well-known individuals without any party affiliation and discussed with them various issues, such as opposing corruption and building a clean government.

Provincial Party Committee Secretary Li Changchun presided over the forum. Song Guochen, provincial party committee standing committee member and provincial discipline inspection commission secretary, briefed the participants on Henan's on-going anticorruption struggle and future anticorruption plan.

Song Guochen said: Since 1993—especially since the Second Plenary Session of the Central Discipline Inspection Committee—Henan has achieved initial successes in the anticorruption struggle under the unified leadership of the Henan Provincial CPC Committee.

Song Guochen also called for heightening understanding of the significance of Henan's ongoing anticorruption struggle, unswervingly continuing the anticorruption struggle for a long time to come, stepping up anticorruption supervision and examination work, strictly rooting

out the malpractices of holding banquets and distributing gifts at public expense during the Lunar New Year Festival period, eliminating extravagance and waste, reinforcing a restriction mechanism and a supervision mechanism, and gradually systematizing anticorruption work and placing the work within the orbit of a legal system. [passage omitted]

Also speaking at the forum were: Ma Ximin, provincial China Democratic League committee vice chairman; Wang Liurong and Zhang Tao, provincial Jiusan Society committee vice chairmen; Li Xuerang, provincial China Democratic National Construction Association committee vice chairman; Shao Lingfang and Huang He, provincial Chinese Peasants' and Workers' Democratic Party committee chairman and vice chairman; Hu Jiaji, a well-known individual without party affiliation; Lei Yangzhen and Nie Gang, Provincial Revolution Committee of the Chinese Kuomintang committee chairman and vice chairman; Yuan Zhuliang, Provincial China Association for Promoting Democracy committee chairman; and Fan Lian, Provincial China Democratic League committee chairman. [passage omitted]

After conscientiously listening to the views expressed by the non-CPC personages, Li Changchun, Song Zhaosu, and other provincial leaders spoke one after another at the forum.

Comrade Li Changchun said: We should fully understand the importance of Henan's ongoing anticorruption struggle, adopt a highly responsible attitude to the CPC, never set opposing corruption against economic construction, take the ongoing anticorruption struggle as a protracted and onerous task, unswervingly continue the ongoing anticorruption struggle in an in-depth manner for a long time to come, educate cadres to enhance their own immunity, build an anticorruption system, perfect an anticorruption supervision system, and remove the soil on which and the conditions under which corruption takes place.

Comrade Li Changchun stressed: We sincerely hope that the persons in charge of the provincial branches of various democratic parties and the provincial industry and commerce federation as well as well-known individuals without party affiliation will display a spirit of showing utter devotion and sharing honor and disgrace, actively put forth constructive views on the question of opposing corruption, supervise our behavior, and reflect views and demands of the broad masses of the people.

Views 1994 Economic Work

HK1901152094 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 15 Jan 94

[Text] Provincial Party Committee Secretary Li Changchun and provincial Governor Ma Zhongchen held talks at a forum with some city mayors and prefectural commissioners attending a provincial economic work conference

yesterday afternoon. Comrade Li Changchun and Comrade Ma Zhongchen also discussed with them specific ways and means of deepening reform and fulfilling this year's economic tasks.

The forum was presided over by provincial vice Governor Fan Qinchun and attended by Song Zhaosu, Zhang Honghua, Zhang Shiyang, Yu Jiahua, Yao Zhongmin, and some other provincial leaders.

At the forum, city mayors and prefectural commissioners from Nanyang Prefecture, Zhumadian Prefecture, Xinyang Prefecture, Zhengzhou City, Luoyang City, Kaifeng City, and some other cities and prefectures spoke one after another and reported their work. They said that they were greatly encouraged by those new reform measures promulgated by the state in 1994 but felt greater pressure on their work at the same time. They pledged to turn such pressure into a motivating force and make a success of their work in 1994.

At the forum, provincial party committee Secretary Li Changchun emphatically called for clearly viewing the situation, bracing up, and developing the province's current good situation. He said: The year 1994 will be an extraordinary year in which we will be confronted with opportunities, challenges, hopes, and difficulties. Successfully carrying out work in 1994 will lay a solid foundation for us to attain the strategic goal of raising Henan's gross national product to a level higher than the country's average and lowering Henan's population growth rate to a level lower than the country's average by the end of the 1990's as well as achieve a comparatively well-off standard of living at an earlier date.

This year, we should unswervingly adhere to the guiding ideology of continually putting forth new ideas, grasping each and every excellent opportunity, deepening reform, expanding opening up, and accelerating development. We should also properly handle relations between reform, development, and stability, should regard development as the central task, reform as the motive force, and stability as the basis, and should firmly concentrate on these three aspects of work.

Speaking of development, Li Changchun noted: At present, we are being confronted with the major contradiction of slow-paced development, this being incompatible with the country's overall development. In view of this situation, we should try to acquire a thorough understanding of a series of propositions made by Comrade Deng Xiaoping, such as "development is the last word" [fazhan cai shi ying daoli 4099 1455 2088 2508 4289 6670 3810], among others. We should firmly aim at the above-mentioned strategic goal and strive to raise Henan's gross national product to a level higher than the country's average and lower Henan's population growth rate to a level lower than the country's average on the basis of an optimized economic structure and increased economic efficiency.

Li Changchun also called for implementing this strategic goal to the letter throughout the province by developing

famous-brand products, focusing on key economic areas, making energetic efforts to obtain more state investment, overseas investment, and domestic investment, and accelerating Henan's overall development.

Speaking of reform, Li Changchun pointed out: We should consider reform a powerful motive force behind economic growth. Henan's practice over the past few years has fully proven that, as long as local leaders follow a clear-cut train of thought in the course of reform, economic development is bound to accelerate in local areas. Reform is a shortcut which will enable us to narrow the economic gap between Henan and the rest of the country. Therefore, party committees and governments at all levels in Henan should concentrate sufficient efforts on studying reform, should promote development by virtue of reform, should promote opening up by dint of development, and should blaze a new trail in the course of development.

Speaking of stability, Li Changchun maintained: On one hand, we should not simply try to maintain stability for the sake of stability and should not refrain from speeding up reform; while, on the other, we should understand that, along with the gradual deepening of reform, we will surely come across new situations and new problems. Thus, we should first try to perfect a social security system by focusing on developing insurance businesses tailored to the needs of elderly and unemployed people at present, should provide proper assistance to staff and workers of closed or partially closed enterprises, should provide proper assistance to retired enterprise personnel, should tackle the problem of the payment of teachers' wages, and should enable the broad masses of the people to spend a happy Lunar New Year Festival.

Inspects Counties 17-19 Jan

HK2601102494 Zhengzhou Henan People's Radio
Network in Mandarin 1030 GMT 20 Jan 94

[Excerpts] From 17 to 19 January, provincial party Secretary Li Changchun inspected Xiangcheng and Fugou Counties in Zhoukou Prefecture. [passage omitted]

Secretary Li Changchun made an important speech in which he said: In the past year the Zhoukou Prefectural Party Committee has done a great deal of work. Practice has proved that this prefectural party committee is united and firm, and the prefecture has made great progress in economic construction. It has registered four first's in the province. First, it was the first to break through major and important cases in the combat against corruption; second, it was the first to introduce foreign capital for Zhoukou City's road construction; third, Luyi and Xiangcheng Counties were the first to top [figure indistinct] in revenue; fourth, the Huaiyang County Public Security Bureau was the first to proceed with crackdowns on highway robberies.

Li Changchun requested that prefectural party committee officials emancipate their minds, change their way of thinking, deepen reform, seize the opportunity, boost their morale, and profoundly understand Deng Xiaoping's remarks. [passage omitted]

He said there was a need to give prominence to the following points: The first is enterprise reform; enterprises which are operating normally must form a modern enterprise system; loss-incurring enterprises must introduce the shareholding system or the contract system or allow civilians to run them under state ownership. The second is establishing the social insurance system. The third is rectifying the market order. The fourth is stepping up cadre and personnel system reform. The fifth is speeding up housing system reform. The sixth is deepening rural reform and developing a diversified economy.

Li Changchun demanded that overdue wages for teachers be paid before the Spring Festival. [passage omitted]

Henan Secretary, Governor Address Meeting on Law

HK2601103794 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 21 Jan 94

[Excerpt] Yesterday, when holding a discussion with representatives to a provincial meeting on political science and law, provincial party Secretary Li Changchun and Governor Ma Zhongchen stressed: All levels of party committees and governments should make efforts to maintain social and political stability in this new situation. Institutions of political science and law should, under the unified leadership of party committees and governments, fully display their functions and create a stable and political environment for the province's reform, opening up, and economic development.

After listening to the views of participants from Zhengzhou, Luoyang, Xuchang, and Nanyang, Li Changchun said: Doing two types of work simultaneously and laying equal stress on both are an important component of Deng Xiaoping's theory of building socialism with Chinese characteristics. All levels of party and government leaders should properly understand the dialectical relations between reform, opening up, economic development, and social stability, and improve their understanding on the importance of preserving social and political stability.

Li Changchun pointed out: Development is the central issue, reform is the driving force, and stability is the foundation. All levels of party committees and governments should pay full attention to political science and law, increase the impetus of maintaining social stability, and persist in doing two types of work simultaneously and laying equal stress on both in the course of deepening reform and stepping up development.

Li Changchun continued: All levels of party and government leaders should conscientiously carry out the responsibility system for comprehensive management of social order. [passage omitted]

Departments of political science and law throughout the province should strengthen their leadership functions, severely crack down on all kinds of crimes, and examine and handle major and important economic crimes. [passage omitted]

During the discussion, Comrade Ma Zhongchen pointed out: All levels of party committees and governments should apply the method of one divided into two in their work. Comrades on the front of political science and law should fully understand the difficulties arising from the deepening of reform, the adjustment of interests, and the increase in the people's contradictions. They should raise their awareness of social problems that may possibly arise from the introduction of major reform measures.

Ma Zhongchen stressed: Comprehensive management of social order is a social systems engineering, which should proceed under the unified leadership of all-level party committees and governments. [passage omitted]

Henan Strengthens Contacts With Foreigners

OW1901015394 Beijing XINHUA in English 0134 GMT 19 Jan 94

[Text] Zhengzhou, January 19 (XINHUA)—Central China's Henan Province has opened its doors wider to the outside, in a bid to attract overseas investment and technology.

Now, it has opened 25 cities and 88 counties and established ties with over 140 countries and regions.

In 1993, the province received over 5,400 foreign guests from some 60 countries, such as the United States, Japan and Republic of Korea. Among them, 220 were important officials who came to investigate the investment environment.

For example, during his visit, Goh Keng Swee, former vice-premier of Singapore, reached tentative agreement with relevant departments on several projects involving foodstuffs, power and housing industries.

So far, 17 cities in the province have sister counterparts in six countries and regions, such as Australia, Romania and Kazakhstan.

Their friendly relations are mainly based on economic cooperation.

Hunan Governor Views New Revenue System

HK2601105194 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 20 Jan 94

[Text] Provincial Governor Chen Bangzhu delivered a speech at a work meeting of the provincial governor and vice governors yesterday.

In his speech, Chen Bangzhu called on all provincial departments and bureaus to conscientiously study, implement, and carry out the newly promulgated revenue system, study problems cropping up in the course of the new revenue system enforcement, and strive to promote a sustained and rapid provincial economic growth.

Provincial Vice Governor Zhou Bohua also attended the meeting chaired by provincial Executive Vice Governor Wang Keying.

The meeting pointed out: Since being officially enacted on 1 January, 1994, the new revenue system has been smoothly enforced in Hunan Province. Nonetheless, a number of problems have also been encountered in this process, including lack of adequate measures, uneven tax burdens, and lack of circulating funds among enterprises, and so on.

In view of the above-mentioned situation, Chen Bangzhu stated: In order to secure efficient new revenue system enforcement and smooth convergence between the new revenue system and the old revenue system, leaders at all levels, especially leaders of revenue departments at all levels, should exert their utmost to grasp and digest the main spirit of the new revenue system, this being a crucial link in providing services to enterprises.

Chen Bangzhu called on all departments and bureaus concerned to set up ad hoc groups that will conscientiously investigate and study problems cropping up in the course of the new revenue system enforcement and report their findings to the administrative departments at higher levels so as to minimize friction and collisions in the process of converging the new revenue system with the old one.

Chen Bangzhu emphatically urged the provincial revenue bureau to start publicizing the PRC Revenue Law on a large scale, and take the initiative to join other provincial departments and bureaus concerned in studying and resolving problems in this regard.

Chen Bangzhu finally called on all trades and professions across the province to waste no time in collecting taxes and work hard to fulfill revenue quotas upon schedule.

Hunan Launches Large Rural Anticrime Operation

HK2201062594 Beijing FAZHI RIBAO in Chinese 10 Jan 94 p 1

[By reporter Wu Bingyan (0702 0014 3508): "Hunan Sends 10,000 Cadres to Rural Areas To Crack Down on Local Ruffians"]

[Text] Hunan provincial CPC committee and provincial government decided to launch a province-wide general campaign for rectifying the public order in rural areas, concentrating on punishing local ruffians. So far, over 10,000 cadres have been transferred to rural areas all over the province to participate in this operation. By 3 January, the first battle had been started in various localities in which 13,415 local ruffians and other lawless people were arrested, 8,641 criminal cases of all kinds were solved, and 1,572 criminal gangs were smashed, of which 6,233 members were pulled out of organized crime.

The authorities in Hunan Province have been very determined and quick in conducting this general campaign for rectifying the public order in rural areas. The chief leaders of party members at all levels commanded this operation in person, and procuratorial and judicial organs played central roles. Wang Maolin, secretary of the provincial party committee, took a direct part in organization and planning, contributed to discussion and formulation of

operation proposals, and specifically helped procuratorial and judicial departments solve such practical problems as shortages of funds for handling the crimes. The authorities of all prefectures, cities, and counties set up operation leadership groups headed by the chief leaders of party committees and governments and composed of personnel from relevant departments. The public security, procuratorial, and judicial organs at all levels in the province, under the unified leadership of party committees and governments, and with close cooperation of relevant departments, followed the 13 key targets established in the "Proposal for Rectifying Public Order in Rural Areas" transmitted by the provincial party committee and provincial government and adopted such methods as integrating open investigation with secret investigation, integrating information gathering from files with solicitation of information from the public, and integrating key actions with routine investigations. They conducted in-depth investigations and scored good results.

In order to consolidate the achievements of the rectification and strengthen basic work at the grass-roots level, all localities in Hunan, in accordance with the requirements of the provincial party committee and government, are stepping up the selection of public security, procuratorial, and judicial cadres, who are in the prime of life, to take up the posts of deputy party committee secretaries in townships and towns along the railway lines, national highways, and where public security is problematic. So far, 300 officers have been picked out and put in these posts in the whole province.

Hunan To Introduce Civil Service System

HK1901135994 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 16 Jan 94

[Text] A provincial personnel work meeting was held from 13 to 15 January. The meeting pointed out: Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the spirit of the Third Plenary Session of the 14th CPC Central Committee, with a focus on economic construction, there is a need to deepen reform, strengthen management, enliven human resources, improve services, comprehensively fulfill institutional reform, introduce the civil service system, and carry out wage system reform in order to make new contributions to Hunan's invigoration. Provincial party and government leaders, including [Vice Governor] Chu Bo and Luo Haifan, attended and addressed the meeting. Zhu Qiulin, director of the provincial personnel department, made a report entitled "Expediting the Pace of Reform, Strengthening Personnel Management, and Establishing a Personnel System in Conformity With the Socialist Market Economic Structure."

In his speech, Chu Bo referred to the province's economic situation in 1993, stressed three major aspects of personnel reform for this year, and explained the new situation and new tasks facing organizational and personnel work.

He said: The overall arrangements for institutional reform throughout the province were decided by the provincial

party committee and government last year. These arrangements still remain unchanged. The province will strive to fulfill institutional reform this year. Before institutional reform is carried out, all localities should make the necessary preparations.

Chu Bo said: Establishing and implementing a state civil service system is the focal point of speeding up personnel system reform. The provincial government's arrangements are as follows: Personnel system reform will be carried out according to state regulations, step by step and in a planned way in coordination with institutional reform and wage system reform. The personnel currently employed throughout the province will basically become state civil servants this year. In the course of implementing the civil service system, the relevant policy should be strictly observed. No one is allowed to introduce institutional expansion by taking advantage of this reform, to do a rush job of promoting cadres, to increase the number of posts for leaders without authorization, or to set up nonleadership posts willfully.

Comrade Chu Bo also expressed his views on wage system reform in institutions and stressed the need to reform the social insurance system in institutions and enterprises and to establish talented personnel markets.

Southwest Region

Guizhou Secretary Addresses CPPCC Session

HK2401060494 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 19 Jan 94

[Excerpts] The Second Session of the Seventh Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] opened in Guiyang yesterday afternoon. Provincial CPPCC Chairman Long Zhiyi chaired the session. [passage omitted]

Provincial Party Secretary Liu Fangren made an important speech at the opening ceremony.

[Begin Liu recording] Today, at a time when people of various nationalities throughout the province are comprehensively implementing the instructions of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee and are emancipating their minds, seeking truth from facts, widening the opening up scope, and seizing the opportunity to expedite their development, the Second Session of the Seventh Provincial CPPCC Committee has opened in Guizhou. On behalf of the Guizhou Provincial CPC Committee, I extend my warm congratulations to this session and my kind regards to all CPPCC members and comrades present here.

The year of 1994 will be the first year to comprehensively implement the decision of the Third Plenary Session of the 14th CPC Central Committee as well as the first year to comprehensively implement all the tasks set by the Seventh Provincial CPC Congress. To fulfill this year's tasks, the provincial party committee has explicitly proposed that, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics

and the party's basic line, we should implement the instructions of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee, focus on economic construction, further emancipate our minds, seek truth from facts, expedite reform, widen opening up, boost our morale, work in a down-to-earth manner, and promote the province's socialist market economy, party building, spiritual civilization, and the formation of the democratic and legal system. [passage omitted]

We should correctly handle the relations between reform, development, and stability and unite people of all nationalities throughout the province in preserving and developing the political situation characterized by stability and unity. To provide a good social and political environment, we should do two types of work simultaneously, lay equal stress on both, and carry forward socialist spiritual civilization. All this has set higher demands on the provincial CPPCC this year.

In this year, CPPCC organizations at all levels throughout the province should conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, profoundly implement the instructions of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee, conscientiously carry out all the tasks set by the Seventh Provincial CPC Congress, uphold the party's basic line, further abide by and improve the CPC-led multiparty cooperative and political consultative system, and raise the province's patriotic united front work to a new level. [passage omitted]

In cooperation with the relevant departments, the CPPCC organizations at all levels throughout the province should do a good job in accommodating overseas friends who come to Guizhou for family visits, sight-seeing, and trade discussions; should promote scientific, technological, and cultural exchanges with foreign countries; and should encourage more friends to invest in Guizhou. They should tell potential investors about the party's policy of peaceful reunification and one country, two systems and should describe for them the province's scenic spots and the people's habits and customs to expand our influence. [passage omitted]

CPPCC organizations at all levels should conscientiously study Volume 3 of the *Selected Works of Deng Xiaoping*, should study and implement the party's line, policies, and principles, should further improve their ideological and theoretical level, should improve their ability to participate in the deliberation of state affairs, and should make greater contributions to the province's two civilizations.

All levels of party committees and governments should further improve their understanding of the CPPCC's nature, position, and mission, should seriously implement the CPC-led multiparty cooperative and political consultative system, and should vigorously support and propagate the CPPCC, political consultative, and democratic supervisory systems. [passage omitted]

Party committees at all levels should strengthen their leadership over CPPCC organizations—first and foremost their political leadership over CPPCC organizations. CPPCC organizations at all levels should carry out their work according to the party's line, principles, and policies by focusing on economic construction and the work of party's committees and governments. All levels of party committees and governments should solicit the opinions of CPPCC organizations, democratic parties, mass organizations, and nonparty patriotic individuals. The relevant departments should seriously handle important suggestions and criticism raised by CPPCC organizations and nonparty individuals. Difficulties that CPPCC members encounter in work and life should be resolved with every possible effort. [end recording]

Sichuan Secretary Attends People's Congress

HK2601104294 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 20 Jan 94

[Text] Yesterday provincial party committee and government leaders including Xie Shijie, Xiao Yang, Pu Haiqing, Diao Jinxiang, and Xu Shiqun took part in discussions with People's Congress deputies from armed forces units stationed in Sichuan, Mianyang, Zigong, Leshan, Guangan, and Nanchong. They carefully listened to the deputies' views.

In a group discussion held by the Aba autonomous prefectural delegation, provincial party Secretary Xie Shijie said that the province must never miss opportunities in the 1990's, otherwise Sichuan will suffer serious losses. After listening to some deputies' remarks, Xie Shijie said: The difficulties of the three minority autonomous prefectures and remote areas have received the close attention of the provincial party committee and government, and we are now discussing methods and measures with every one of you to resolve them. But the efforts of the central and provincial authorities alone cannot help completely resolve problems. I would like to quote Deng Xiaoping: Development is a fixed principle. In time of financial difficulties, you should not compete with other prefectures but should find ways suitable for yourselves. You can encourage individual and private economic sectors to development township and town enterprises with a free mind. The three autonomous prefectures have strong points in resources and should pay attention to the commodity economy.

On economic development in ethnic prefectures, Xiao Yang said in a group discussion of the Ganzi autonomous prefectural delegation: Let us develop methods together, but to develop the economy is a fixed principle. In economic development, the three autonomous prefectures can rely on Chengdu and Chongqing. The provincial authorities are seeking ways for this to help ethnic prefectures with their development.

Vice Governor Xu Shiqun attended a group discussion on education held by the Nanchong delegation. He listened to the deputies' views on government educational work. Xu Shiqun said: In making an economic leap, Sichuan must

hold firm to the orientation of socialist education, give prominence to primary education, and make a success of the nine-year compulsory education. But some localities have not put this into effect. I hope every one of you will supervise this. There are still some problems to resolve in education, such as inadequate investment in education and low salaries for teachers. Now detailed regulations are being worked out for the implementation of the Teachers Law. In the future, the improvement of the teachers ranks will proceed under the legal system.

While holding a group discussion with the Deyang delegation yesterday afternoon, Provincial People's Congress Chairman Yang Xizong and Governor Xiao Yang pointed out the need to resolve new problems emerging in the course of development. After listening to the remarks of some People's Congress deputies on the peasants' difficulties in selling their products due to an imperfect market mechanism, Yang Xizong expressed his full concern by saying: How to guide the peasants into the market is a new issue in the course of development and is also a problem we should work hard to resolve in our future rural economic development. First, we should do a good job in providing market forecasts and guide the peasants in arranging their production according to market information. Second, we should form an entity of trade, industry, and agriculture and improve all kinds of service in coordination with this. Third, we should establish a reserve system and a risk-bearing fund.

A deputy named Li Yongshou said that because tax evasions are serious, Deyang City is ready to form a local taxation bureau. After hearing this, Xiao Yang remarked: This is very good, tax evasions must be resolved. You can work out a plan to form the bureau as soon as possible.

Ministry To Sponsor Sichuan Meat Trading Center

OW2601081294 Beijing XINHUA in English 0745
GMT 26 Jan 94

[Text] Chengdu, January 26 (XINHUA)—China's biggest meat futures exchange will be opened in April this year in this capital of Sichuan, a major pork producing province in southwest China.

The exchange, sponsored by the Ministry of Internal Trade and the Sichuan provincial government, will admit domestic and overseas enterprises, brokerage companies and financial institutions as members for a fee of 200,000 yuan (about 23,000 U.S. dollars). The transactions will be managed by public bidding with the aid of computers.

China's biggest wholesale meat market was set up in Chengdu in October 1991. So far, the volume of business totals 1.368 million tons, worth 6.61 billion yuan.

However, officials in charge of the market said meat futures need separate handling to stabilize prices and reduce the risks to pork producers.

Taiwan-Funded Enterprises Set Up in Sichuan*OW2001181694 Beijing XINHUA in English 1408 GMT 20 Jan 94*

[Text] Chengdu, January 20 (XINHUA)—Inland Sichuan Province in southwest China is attracting more capital from Taiwan, according to government sources.

By the end of last year, the province had approved the setting up of more than 800 Taiwan-funded enterprises, doubling the figure of the previous year. The enterprises had taken in 521 million U.S. dollars from Taiwanese businessmen.

Government officials attribute the boom to the province's rich natural and labor resources and a fairly strong industrial and technological power.

The investors are going to light industry, electronics, high technology and real estate development instead of the previously favored catering trade and processing of agricultural and sideline products, the officials said.

Big companies and financial groups from Taiwan have also begun to set up businesses in the province to pursue large development projects.

Tibet Chairman Attends Armed Police Ceremony*OW2101035594 Lhasa XIZANG RIBAO in Chinese 31 Dec 93 pp 1, 4*

[Article by XIZANG RIBAO reporters Shou Wen (1108 2429), Xue Lin (1331 2651), Yuan Gao (6678 7559), and You Lin (1635 2651): "Comrade Zhang Zhu Is Promoted to the Police Title of Major General—A Special Honor to the Armed Police Units in Tibet"]

[Excerpt] A ceremony promoting Comrade Zhang Zhu, political commissar of the Tibet Regional People's Armed Police Corps [TRPAPC], to the police title of major general was solemnly held in the afternoon of 30 December 1993.

The title-conferring ceremony was presided over by Zhou Qishun, vice chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference and secretary of the party committee of the autonomous regional public security department.

Guo Jinlong, Yang Chuantang, and Gyainco, leaders of the autonomous region; leaders of the TRPAPC; and principal leaders of the Tibet-based units at and above the regimental level participated in the ceremony.

Gyaincain Norbu, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional people's government, read out a promotion order signed by State Council Premier Li Peng and Central Military Commission Chairman Jiang Zemin, and delivered a speech on behalf of the autonomous regional party committee and the autonomous regional people's government.

Comrade Gyaincain Norbu said that Comrade Zhang Zhu's promotion to the police title of major general was an

honor not only to himself but also to the TRPAPC. On behalf of the autonomous regional party committee and the autonomous regional people's government, he offered warm congratulations to Comrade Zhang Zhu.

In his speech Chairman Gyaincain Norbu spoke highly of Political Commissar Zhang Zhu as well as all the officers and men of the TRPAPC. He said: As a political commissar of the TRPAPC and as a leader of units construction, Comrade Zhang Zhu resolutely implemented the party's line, principles, and policies; carried out various instructions and orders issued by the TRPAPC and the regional party committee; always placed the units under the absolute leadership of the party; united and led members of the party committee to vigorously tackle various construction jobs of the units; and did an outstanding job fulfilling the various tasks entrusted by the party and people. In particular, in the struggle to quell the riots in Lhasa and to stabilize Tibet's situation, Comrade Zhang Zhu led all the officers and men in taking a clear-cut stand, standing in the forefront of the fight against splittism, and waging a resolute struggle against splittist forces, thereby making remarkable contributions to safeguarding the unification of the motherland and to stabilizing Tibet's situation. The autonomous regional party committee, the autonomous regional people's government, and the people of all nationalities in Tibet are satisfied with the work done by the TRPAPC and Comrade Zhang Zhu. He urged Comrade Zhang Zhu to live up to the ardent expectations of the party and people, to turn honor into a driving force, to better unite and lead all the officers and men of the TRPAPC to conduct intensive study of Volume 3 of the *Selected Works of Deng Xiaoping*, to use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to seek unity of thinking among officers and men, and to persist in using Comrade Deng Xiaoping's thought on army building in the new period to guide the construction of the units so as to make new contributions to protecting Tibet's economic construction, reform, and opening up. [passage omitted]

Tibet Marks Religious Figure's Death Anniversary*OW2101170094 Beijing XINHUA in English 1446 GMT 21 Jan 94*

[Text] Lhasa, January 21 (XINHUA)—Tibetans of all walks of life recently held ceremonies in Lhasa, capital of Tibet Autonomous Region, to mark the fifth anniversary of Master Bainqen's death.

The tenth Bainqen Erdini Qoigyi Gyancan died at Xigaze, on January 28, 1989.

At a forum in Lhasa, Pagbalha Geleg Namgyai, vice-chairman of the Standing Committee of the National People's Congress, said that whether it was before or after peaceful liberation in Tibet, or in the periods of socialist construction and opening to the outside world, Master Bainqen had made great contributions to the progress, prosperity and development in Tibet.

He said that Master Bainqen always stood for the principle that Tibet is an indispensable part of China.

Master Bainqen insisted that it is the bright way for the Tibetan people to embark on the socialist road under the leadership of the Chinese Communist Party, he added.

On January 20, Tibetan religious people also gathered in Lhasa to review Master Bainqen's patriotic doctrines to Tibetan religious believers.

In Xigaze, lamas in Zhaxi Lhunbo Lamasery are holding Buddhist activities daily to mark Bainqen's fifth death anniversary.

Yunnan Increases Agricultural Input

OW2401090494 Beijing XINHUA in English 0840
GMT 24 Jan 94

[Text] Kunming, January 24 (XINHUA)—Southwest China's Yunnan Province has kept on increasing input into agriculture and achieved bumper harvests for five years running.

Since 1989 the total amount of the funds poured into agriculture in the province has been the highest in the country.

In 1992 the amount allocated to agriculture by the province was 2.64 billion yuan, accounting for 21.7 percent of the annual total expenditure of the province. The figure was 13 percentage points higher than average level of the funds allocated for industry.

Over the past five years Yunnan has invested 2.18 billion yuan in water conservancy projects, and 44 large- and medium-sized projects were carried out smoothly.

Now the irrigable area of the farmland in Yunnan has increased to 1.1 million ha [hectares], and high-yielding farmland occupies about 690,000 ha.

In 1993 Yunnan's grain output hit a record 10.85 billion kg, an increase of 148 million kg over the previous year.

North Region

Inner Mongolia To Give Electric Power to Beijing

OW1801064394 Beijing XINHUA in English 0508
GMT 18 Jan 94

[Text] Hohhot, January 18 (XINHUA)—Beijing is to get more electricity from the neighboring Inner Mongolia Autonomous Region in the next few years.

By 1995 the capacity of power supply from Inner Mongolia is to rise to 1.50 million kw, and by 2000 that figure will climb to five million kw, according to the power department of the region.

Beijing gets one seventh of its electric power from Inner Mongolia, which is rich in coal resources. Since 1990 a total of four billion kwh of electricity have been transmitted to Beijing from the region.

In the past, most of the herdsmen in the region had to rely on cow dung for heat and light, and as late as the 1950s there were only seven small power plants with a total capacity of 1,750 kw in the autonomous region. But by 1987 the total electricity production capacity in the autonomous region had surpassed 800,000 kw.

Officials said that since 1988 a group of large thermoelectric power plants have been built. So far, the generating capacity has topped 2.40 million kw—more than enough to meet the local demand.

At present, several large power plants are still under construction. Upon their completion in 1995 they will increase the total capacity to eight million kw.

Beijing Municipal People's Congress Closes 14 Jan

OW1501160294 Beijing XINHUA in English 1509
GMT 15 Jan 94

[Text] Beijing, January 15 (XINHUA)—All of the 862 proposals put forward by deputies to the Municipal People's Congress here have been given due consideration.

According to Zhu Zupu, deputy secretary-general of the municipal government, deputies to the city's people's congress put forward an average of more than two proposals a day last year. All the proposals, tackling issues ranging from official corruption, city planning to pornography, were adopted.

Ten proposals which are beyond the powers of the municipality have been submitted to the State Council, he revealed.

Zhu, speaking following the closing of the Eighth Session of the Standing Committee of the 10th Municipal People's Congress Friday [14 January], cited the example of the ban on firecrackers by the city government at the call of more than 40 people's deputies.

The city also waged an anti-porn campaign in the publication industry after adopting a proposal from Wang Li and 13 other deputies, Zhu said.

The deputies also voiced their demands for a bigger education budget and better living conditions for teachers. The city boosted educational expenditure by over one-fifth over the previous year in 1993. The latest official figures show that teachers received the third-largest increase in income last year, following rises for policemen and enterprise workers.

It was a deputy's proposal that spurred the city government to set up Beijing's first international futures trading company. Another proposal resulted in the establishment of two large wholesale book markets.

The Municipal People's Congress is a medium-level legislature of the country's people's congress system. The present congress was elected in 1993 and will remain in office for five years.

Feedback from the deputies shows that most of them are satisfied with the way their proposals have been handled.

Beijing Airport Begins 'Superior Service' Campaign

HK2401073494 Beijing CHINA DAILY in English 24 Jan 94 p 3

[By Xie Yicheng: "Airport Flaps Down for Spring Festival"]

[Text] Beijing Capital International Airport has launched an all-out superior service campaign for Spring Festival.

Some 14,000 domestic and overseas travellers daily have transited the airport since the holiday season began January 20, a jump of 30 percent over regular usage.

The high-profile campaign spotlights resolute measures to guarantee ground security and flying safety-the biggest concern of the travelling public.

Approximately 300 security inspectors, using new X-ray machines and handheld metal detectors, are combing each passenger for any dangerous article.

The airport's 4,000 employees have pledged to improve service during the 40-day holiday period.

Their actions have included soliciting passenger opinions and advice through a poll conducted a few days ago.

The poll covered public facilities, environmental sanitation, shopping service, catering service and the security check.

Of the 300 travellers polled, 59.4 per cent said "very satisfactory," 32.1 per cent "satisfactory," and 8.5 per cent "discontented," particularly with catering and shopping service.

Travellers also suggested improving comprehensive service facilities in the waiting building, like more telephones and telegraph, more news stalls and detailed flight information.

Beijing's 'Floating Population' Reaches 1.5 Million

HK2601011094 Beijing ZHONGGUO XINWEN SHE in English 1127 GMT 25 Jan 94

[Text] Beijing, January 25 (CNS)—People from various provinces and cities staying temporarily in Beijing have numbered some 1.5 million in the past three years and the number will become even greater in the future, obliging the Beijing authorities to adopt strengthened administrative measures to deal with the migrant population in the municipality.

An official from the department of household registration of the Beijing Public Security Bureau revealed that the migrant population posed many problems, especially those of public order which has seen half of the criminals arrested in the municipality being non-permanent residents even though this group of the population made a contribution to the prosperity of the municipality.

A seminar held by local bureaus of public security in Beijing was aimed at collecting opinions from the public in

a bid to work out measures to maintain public order. Many of those who expressed an opinion at the seminar said that the increase in use of police radio for reporting of crimes should be employed.

Member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Shen Zui, in a speech praised the introduction of the police patrol system, saying he was convinced that the police should patrol with police dogs in order to impose further deterrence on criminals. He also called for the installation of the more telephones for the reporting of crime.

An expert on teenage education pointed out that great attention should be paid to the fact that the age of criminals was becoming younger and that education in the law for teenagers had to be boosted. A public security official said that the administration of public order had to be based on the strict cracking down on crime. He added that reform of public security work should be carried out with the aim of keeping in line with the socialist market economy system.

XINHUA Notes Beijing's Efforts To Protect Women's Rights

OW1801013094 Beijing XINHUA in English 0106 GMT 18 Jan 94

[Text] Beijing, January 18 (XINHUA)—The capital city's court has executed six criminals convicted of murder, rape and assault of women last year.

The clampdown on crimes against women is part of the city's efforts to implement the law on the protection of women's rights and interests.

Li Qiaoyun, vice-president of the city's committee on the protection of women's rights and interests, said that her committee handled 1,350 cases of violation of women's rights in the past 14 months. Over 180 of them were "major" and "knotty" cases, she said.

The city's people's court and district courts hold public trials to announce punishment for criminals for cruelty against women. Li said that the public trials were effective in "detering other criminals."

She said that the courts give priority to hearing cases involving women's rights. Divorce cases involve many "thorny issues", she said. The issues include support for children, division of property and housing for the divorcees. The city's supreme court has expressly imposed favorable provisions for women in handling such cases.

The municipal people's congress, the city's legislature, is now striving to pass a detailed bill on implementing the state women's law within this year.

Since the law on women's protection came into force in October 1992, a grassroots network of women's protection committees has been set up throughout neighborhoods and suburban areas. A medical scheme for women has been

initiated in the downtown district of Chaoyang, providing special medical service for the 210,000 female employees in the district.

In order to give more say to women in the government, the present city government has accepted a higher percentage of women officials than previous ones. Women hold seven of 47 leading posts in municipal departments. Gender representation was also considered in appointments of lower level officials.

Beijing Reforms Enterprise Personnel System

OW1901103394 Beijing XINHUA Domestic Service in Chinese 2110 GMT 26 Dec 93

["Year-end special report" by XINHUA reporters Xia Junsheng (1115 0193 3932) and Li Feng (2621 3536): "Barriers Between the Status of Cadres and Workers Have Been Broken Down; 120,000 Workers in Beijing Have Assumed Leadership and Management Positions in Enterprises"]

[Excerpts] Beijing, 27 Dec (XINHUA)— The situation in which a cadre will always be a cadre while a worker will always remain a worker has now become a thing of the past at Beijing's state-owned enterprises. By deepening reform of the enterprise personnel system and breaking down the barriers in regard to the status of cadres and workers, some 120,000 exemplary workers in Beijing have assumed leadership and management positions in enterprises.

For years, Chinese enterprises practiced a "life tenure" system in regard to the status of cadres and workers. Once you became a cadre, it meant you were sitting on an "iron armchair"—your rank was guaranteed for life regardless of your ability and performance. Restricted by his status, a worker, no matter of how talented he is, will find it almost impossible to assume leadership or management responsibility in an enterprises. Such a personnel system is not conducive to optimizing managerial talent and promoting talent.

In 1984, Beijing started introducing competition mechanisms in a bid to reform the enterprise personnel system. On one hand, the city introduced an appointments system for the existing cadres. Those who were not appointed were reassigned as workers and paid as such. Their status as a cadre was retained only in their personal files. At the same time, outstanding workers were appointed administrators and managers and started to draw the benefits due cadres. A new mechanism of mobility whereby both cadres and workers can be assigned as a worker or manager and receive the benefits due their posts began to take shape. Figures of the Beijing City Personnel Bureau show that workers hired as cadres account for nearly one-third of the cadres in the city's state-owned enterprises. In some enterprises, such cadres account for nearly half of the ranks of cadres.

Promoting cadres from among workers has put an end to the situation in which demobilized Army cadres and graduates of colleges and secondary vocational schools made up the primary source of cadres, thereby expanding

the source of potential cadres available for the entire work force of enterprises and creating opportunities for outstanding workers to show their talents. In hiring cadres, enterprises in Beijing earnestly solicit the views of workers and set strict standards. Most of the workers selected are under 35 and have finished senior high school. They have rich work experience, are content with their work, and can identify with the workers. Most of them have become backbone management personnel. [passage omitted]

Cadres who are promoted from among cadres do not have an "iron armchair" on which to sit. Enterprises appraise the performance of every appointed cadre. Competent ones will be reappointed and the incompetent ones will be demoted or reassigned as a worker. This has injected competition, energy, and mobility into the ranks of cadres. Every year, about 20,000 outstanding workers in the city's state-owned enterprises are promoted to the ranks of management. At the same time, a number of incompetent cadres are reassigned as workers. This has not only enhanced the sense of competition and self-restraint among appointed cadres but has also aroused the initiative of the demoted cadres. [passage omitted]

Party committees at all levels in Beijing have stepped up efforts to elevate workers to cadre level by, among other things, having them take courses at party schools or spare-time universities to improve their knowledge of policies and to sharpen their vocational skills. To institutionalize and standardize this practice of enterprises appointing cadres from among the workers, the city personnel bureau has formulated a series of regulations governing the promotion, evaluation, approval, management, and material benefits of workers-turned-cadres.

Beijing To Receive Loans for Construction

OW1901162094 Beijing XINHUA in English 1526 GMT 19 Jan 94

[Text] Beijing, January 19 (XINHUA)—A financial group consisting of several major specialized banks in China will provide a 40 million U.S.-dollar unsecured loan for the basic construction of the capital city, according to a contract signed here today.

The five-year loan will be jointly provided by the Industrial and Commercial Bank of China, the Bank of China, the Everbright Bank of China, the Citic Industrial Bank, the Beijing branch of the Bank of Communications, the Everbright International Trust and Investment Corporation and Huaxia Bank.

The loan will be entrusted to the Investment Corporation for Economic Development of Beijing, which was established for funding the basic construction of Beijing.

Beijing Hospitals Begin Initiative for Handicapped Orphans

OW1801035994 Beijing XINHUA in English 0338 GMT 18 Jan 94

[Text] Beijing, January 18 (XINHUA)—Four-year-old Xu Lihua and seven-year-old Zhai Xiaolong would have lived

in miserable disability for their whole lives were it not for a large-scale initiative for handicapped orphans launched by Beijing hospitals.

Now, they have returned to the Beijing Children's Welfare Institute, where they have lived since they were deserted by their parents, completely recovered from congenital glaucoma and ear deformity.

They are starting a bright new life.

The two children are among handicapped orphans from the institute who were selected to receive free medical treatment, a charity move by the city's public health bureau.

The Beijing Children's Welfare Institute is the country's largest, housing more than 600 homeless children, 90 percent of whom are handicapped.

Many children in the institute are confined to bed all year round, due to illnesses ranging from heart disease to congenital handicaps. Half of them have been in urgent need for medical treatment.

Although staff try their best to take care of these children, it is impossible for the institute to raise the huge amount of money needed.

Last August, two deputies to the Beijing People's Congress revealed the problem in a report to the city's public health bureau.

Zhu Zonghan, head of the bureau, went to the institute himself for an inspection. He then made the decision to arrange operations for the children.

Two months later, the bureau organized experts from five hospitals to examine 40 children. Thirty-two of them were selected for operations.

On December 3, the municipal public health bureau called on all hospitals in Beijing to offer free treatment to save the handicapped orphans.

The proposal won wide support. Twenty-six hospitals committed themselves to perform operations, while many other hospitals provided assistance in technology, equipment and funds.

A hospital volunteered to accept five hare-lipped children, and promised to look for foster parents for them.

The Beijing children's hospital promised to take all the child patients the other hospitals could not.

On January 12, all the 32 children suffering from severe problems, such as large-scale scalds, hydrocrania, heart deformities or harelip, were sent to the 26 hospitals for the best of treatment.

Various enterprises gave money to help in saving the children. A Beijing-Taiwan joint venture handed over 20,000 yuan (2,100 U.S. dollars).

Many organisations, such as the city's association for the handicapped, the department of civil administration and the women's federation have also shown their concern in a practical manner.

Zhu Li, wife of Premier Li Peng, and Lin Jiamei, wife of China's former President Li Xiannian, have visited the children and brought them toys.

Beijing Achieves Progress in Afforestation

OW2001104294 Beijing XINHUA in English 1020 GMT 20 Jan 94

[Text] Beijing, January 20 (XINHUA)—Beijing achieved remarkable progress in afforestation in the past year.

According to an official from the Beijing Municipal Afforestation Committee, 541 hectares of green belts were added in the urban area last year while 640,000 hectares were greened in the suburbs.

Surveys show that tree coverage in Beijing City has reached 33.58 percent.

The official said that Beijing now has over 90 parks. In the satellite towns there are 2,400 hectares of green areas and shelterbelts.

He said that the afforestation reduced times of dusty wind by 30 percent and silt content by 60 percent in the water of Miyun reservoir, one of the major sources of drinking water in Beijing.

By the end of this century, Beijing will plant 2,600 hectares of trees around the city.

It will also construct 30 parks and add 660 hectares of green belts to the city.

Hebei Industrial Output Value Increases

SK2201062094 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 21 Jan 94

[Summary] According to the statistical data provided by the provincial statistical bureau, in 1993 the industrial enterprises at or above the township level throughout Hebei Province realized 162.1 billion yuan of total output value calculated in current prices, which showed a 17.53 percent increase over 1992 and ranked the province 14th in the country. The rate of production and sale among their products reached 98.19 percent; this ranked the province third in the country behind Shanghai and Tianjin municipalities.

Hebei Holds Agricultural Work Conference

SK2501033694 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 23 Jan 94

[Text] The provincial agricultural work conference ended a few days ago.

In the past five years, the province's grain production basically increased at a slow speed. After 1988 when the province produced over 20 billion kg of grain, the province's grain output has remained at around 22.5 billion kg

for the past two years. According to the development plan of the provincial government, the grain output of the province should reach 27.5 billion kg by 2000. This task is extremely arduous. The cotton production situation is even more serious. To this end, the provincial party committee and the provincial government defined that in 1994, the province should strive to turn out 23.5 billion kg while ensuring the production of 23 billion kg of grain, and strive to turn out 500 million kg while ensuring the production of 400 million kg of cotton. The ideas for guiding the province's agricultural work are to realize the target of becoming fairly well-off, to take the overall situation into consideration, to focus on steadily increasing grain and cotton production and increasing the income of the peasants, to deepen reform, to expand the scale of opening up, to make structural readjustment, to perfect systems, to make a breakthrough in science and technology, to vigorously develop high-yield, good-quality, and highly efficient agriculture, and to accelerate the realization of agricultural modernization. Under the guidance of these ideas, this year, we should win a tough battle in grain and cotton production. We should adopt forceful measures to bring about an upswing in cotton production. From this year, the provincial government begins carrying out mandatory planned management of cotton production and distribution and also to sign letters of responsibility with various prefectural and city governments so as to ensure the fulfillment of the cotton production task. The general requirements for this year's grain production are to stabilize the grain and cotton sown areas, to optimize the grain and cotton structure, to improve the quality, and [words indistinct]. The province's grain sown areas should surpass 100 million mu and must not fluctuate by a big margin. We should adopt different techniques to sow wheat on different wheat fields and try every possible means to ensure the scientific management of wheat field. In regard to corn production, we should vigorously carry out the key measures to change the growing forms and change the quality and to increase the input and the density in an effort to set a new record in corn production.

Inner Mongolia Secretary Addresses University Forum

SK2501002094 Hohhot NEIMENGGU RIBAO in Chinese 5 Jan 94 p 1

[By Reporter Mu Yajun (4476 0068 6511) and Guo Dejin (6753 1795 6855): "Correctly Recognize the Current Situation and Properly Handle the Relations in Various Sectors"]

[Text] On the afternoon of 3 January, regional party and government leaders, including Wang Qun, Wang Zhao, Wuyunqimuge, and Zhao Zhihong, went deeply to Inner Mongolia University to hold a forum of leaders as well as teaching and administrative staff of the university on how to recognize the current situation and on the work of institutions of higher learning under the new situation. Xu Bonian, vice chairman of the regional committee of the Chinese People's Political Consultative Conference, attended the forum. Wang Qun gave important views.

Wang Qun said: The theory of Comrade Deng Xiaoping on building socialism with Chinese characteristics is a complete system and a strong ideological weapon for guiding the Chinese people to realize the great ideal of invigorating China. At present the most important task is to use this theory to further arm the minds of the whole party, in particular, the leading cadres at all levels. On the basis of studying well the original work in line with the reality of the current reform and development, we should realistically unify our ideology with the spirit of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the 14th party congress, and the third plenary session of the 14th CPC Central Committee.

Wang Qun pointed out: Since the Third Plenary Session of the 11th CPC Central Committee, great achievements have been made in the whole country, in the regional economic construction, reform, opening up and in all fields of work. These achievements can be seen by all. We should extensively popularize these achievements in an effort to strengthen the confidence of the masses of people of various nationalities, including the broad masses of teachers and students of colleges and universities, in advancing triumphantly along the socialist road with Chinese characteristics. We should educate the broad masses of cadres to correctly recognize the current situation, seize the opportunity, and spare no efforts to comprehensively advance reform and opening up. It is necessary to properly handle the relations of reform, development and stability, and the relationship between the part and the whole, and between immediate interests and long-term ones in an effort to stimulate the enthusiasm and creativity of the broad masses of cadres and the people and to give better play to reform and development.

Wang Qun pointed out: While fully affirming the achievements, and the current situation in the main aspect, we should analyze the existing difficulties and problems on our road of advance in a fact-seeking manner. Reform and construction is the cause of 100 million people. As long as we unswervingly rely on the broad masses of workers, peasants, intellectuals, and cadres at all levels, mobilize all positive factors, and unite with all the forces that can be united, we can overcome all difficulties. We should continue to promote the spirit of arduous struggle and dedication, work with one heart and one mind, help one another, and work in a down-to-earth manner. Only thus, can we be able to overcome all difficulties, create new achievements, and win new victories.

In referring to the issue of anticorruption, Wang Qun said: We should historically and dialectically analyze unhealthy trends and corrupt phenomena, fully understand the long-term nature, arduousness and complexity of anticorruption struggle, and realistically regard this struggle as one of the strategic tasks and uphold it with unremitting efforts. At present, our region has achieved certain achievements in anticorruption struggle, and the self-inspection and correction of leading cadres, the investigation and handling of major and appalling cases, and the checking of unhealthy trends in various trades are being deeply carried out. He said: In anticorruption work, we must first be

resolute and second be fact-seeking, and manage things in line with law. We should combine reform and anticorruption with stability and development in an effort to guarantee the smooth progress of reform, opening up, and economic construction.

In his speech, Wang Qun fully affirmed the work of Inner Mongolia University and its special educational program on the current situation which will be carried out soon.

Inner Mongolia Holds Anticorruption Conference

SK2201081394 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 21 Jan 94

[Text] On the afternoon of 21 January the autonomous region held a regional television conference on the struggle against corruption to summarize the recent situation in making progress in the struggle against corruption and to further mobilize the people to continuously step up the implementation of the three tasks set in the struggle before the Spring Festival.

During the conference Geriletu, member of the autonomous regional party standing committee and secretary of the autonomous regional discipline inspection commission, delivered a speech in which he said: Since September 1993, the regional level units as well as various leagues and cities have generally conducted various work set in the struggle against corruption under the conditions of short time limit, of heavy tasks, and of that the struggle involves in a large range of things. Most localities and departments have earnestly and actively launched the struggle against corruption and scored certain achievements in the three tasks of the struggle. Negative and corrupt phenomena have somewhat disappeared and the people's confidence in the struggle has been somewhat enhanced. The development of the work as a whole has been healthy. During the struggle against corruption, party committees and governments at all levels have paid attention to it and established the responsibility system at all levels for the struggle. They have effectively conducted supervision and inspection over the struggle work. Various localities and departments have steadily upgraded their ideology and understanding by urging their personnel to steadily enhance their study while waging the struggle. Many localities have vigorously grasped the implementation of the work by persistently proceeding from reality and emphatically dealt with their own prominent problems.

Geriletu pointed out: In reviewing the work done over the past four months, we must note while acknowledging the achievements that there still is a large gap between the effects scored in the struggle as well as the demands set forth by the CPC Central Committee and the autonomous regional party committee and the people's expectation. Things that have been done in the struggle work still cannot satisfy the people's feeling. We should fully discern the importance, emergency, and arduousness of the struggle; overcome the thinking of adopting a wait and see attitude, implicating others, and fearing difficulties; and further enhance the leadership over the struggle and vigorously grasp the implementation of the struggle's tasks.

In citing the struggle around the Spring Festival, Geriletu said: Efforts should be made to further enhance the study, to continuously upgrade the ideology and understanding of cadres at all levels and the vast number of people, to unswervingly and successfully grasp the three tasks for the recent period. In organizing leading personnel, it is imperative to enhance the unified leadership between party committees and governments and to uphold and implement the work-division responsibility system among leading personnel for the struggle. In encouraging leading cadres to perform their official duties honestly and to conduct self discipline, we should vigorously handle various problems discovered from their self examinations. In investigating and handling serious and appalling cases, we should accelerate the pace of handling the exposed important cases and further rely on the mass to actively report the corrupt phenomena through letters or visits. We should achieve in having every report offered through letters or visits be accepted seriously. In correcting malpractice, the cases of making overseas travels with public funds and illegally purchasing imported sedans should be totally handled before the Spring Festival. Efforts should be made to step up the work of checking the illegal business and enterprises run by the party and government organs, of correcting the arbitrary collections, and of clarifying the two line of revenue and spending. The key departments of banking, electric power, railways, and post and telecommunication should continuously and vigorously grasp the consolidation in their specialized working projects.

Geriletu urged various localities and departments to earnestly summarize the work done in the struggle for this period, put forward work arrangements for next period, and to take the struggle for promoting the establishment of socialist market economic systems by proceeding from the whole situation. Localities should strictly implement the spirit of circulars issued the general offices of the CPC Central Committee, the State Council, the autonomous regional party committee, and the autonomous regional people's government so as to have a happy Spring Festival with an honest and peaceful atmosphere.

Yun Bulong, vice chairman of the autonomous regional people's government, presided over the television conference and also delivered a speech.

Inner Mongolia To Develop Petrochemical Sector

OW2601104394 Beijing XINHUA in English 1023 GMT 26 Jan 94

[Text] Hohhot, January 26 (XINHUA)—North China's Inner Mongolia is to invest at least 32.02 billion yuan in its petrochemical sector this year.

The aim is to make it a pillar of the regional economy by the turn of the century.

The money will be used to start more petrochemical businesses and launch six major petrochemical production centers in the region during the Eighth Five-Year Plan period (1991-95) and the Ninth Five-Year Plan period (1996-2000).

According to Li Fulin, director of the Petrochemical Industrial Bureau of Inner Mongolia, during the Eighth Five-Year Plan period, the petrochemical industry of the region is expected to grow at an average annual rate of 17.5 percent.

By the year 2000, total output value of the petrochemical industry is expected to hit 8.844 billion yuan.

The petrochemical industry has been developing rapidly over the past years in the autonomous region, known for its vast grassland and well developed animal husbandry.

In 1993, the petrochemical industry in the autonomous region generated 2.335 billion yuan in output value.

As one of China's leading pastoral areas, Inner Mongolia also abounds in petrochemical resources, with reserves of major raw chemical industrial materials of coal, petroleum, natural gas, trona, salt and mirabilite.

The autonomous region has 13 large natural gas fields and its verified oil reserves are estimated at 21 billion bbl [barrels] and natural gas, 150 billion cu m [cubic meters].

The rich petrochemical industrial resources and the implementation of various reform measures have given rise to the quick development of petrochemical industry in this north China autonomous region, said local officials.

At present, Inner Mongolia, which used to rely heavily just on animal husbandry, has now 132 enterprises engaged in petrochemical industrial production, turning out 28 categories of products, such as basic chemical raw materials, organic chemicals, synthetic materials, and chemicals for agricultural use.

'Newsletter' Details Efforts on Shanxi Market Development

OW2501101394

[Editorial Report] Beijing XINHUA Domestic Service in Chinese at 2131 GMT on 14 January carries a 2,853-character "newsletter" by XINHUA reporters Hui Jinyi (1920 6855 5030) and Chen Shuiquan (7115 3055 3123): "Dazhai on the Way To the Market." The newsletter details efforts by the people of Dazhai Village—a production brigade in Xiyang County, Shanxi Province touted as a pacesetter in agriculture during the prereform years—to develop a market economy under the village party branch secretary Guo Fenglian.

The newsletter begins with the reporters' observations during their trip to the village on an unspecified date in the winter. Noting that "the vast expanse of snow did not quiet the seething Dazhai," the newsletter says: "In Dazhai today, activity is seething everywhere. The people of Dazhai are taking gigantic steps forward in developing a commodity economy by integrating the new concepts of reform and opening up with the pioneering spirit of self-reliance and hard work." The newsletter continues to describe Guo Fenglian's observations regarding the gap between Dazhai and other parts of the country when she returned to the village in November 1991 after an 11-year

absence. Recalling how Vice Premier Tian Jiyun provided the answer to closing the gap during his inspection tour of Dazhai on an unspecified date, the newsletter states: "He urged the people of Dazhai to emancipate their minds, renew their concepts, broaden avenues, and work in concert to achieve a comfortable living standard." It goes on to describe how the villagers introduced new crop strains to diversify their grain-based agriculture, and how they set up joint ventures with factories in other parts of the province, trained skilled personnel, brought in foreign capital, and developed tourism. The newsletter concludes by commending the spirit of hard work displayed by the people of Dazhai, saying: "In learning to develop a market economy, the people of Dazhai have not neglected the Dazhai spirit of hard work."

Tianjin Development Zone Becomes 'Most Successful'

OW2301083794 Beijing XINHUA in English 0823 GMT 23 Jan 94

[Text] Tianjin, January 23 (XINHUA)—After ten years of operation, the development zone in north China's port city of Tianjin has become the most successful in the country.

Latest statistics show that the development zone ranks on top in 14 indices, including tax payment, fiscal income, number of overseas-funded enterprises, contracted overseas investment, and is second in the nine other indices including the export volume.

Up to the end of 1993, the zone has approved 1,709 overseas-funded enterprises, with a registered capital of 1.72 billion U.S. dollars, since it was launched in 1984 upon the approval of the State Council.

The zone, 137 km to southeast of Beijing, also attracted some 2,930 enterprises funded by other Chinese regions, with the registered capital reaching 7.39 billion yuan.

At a new conference Saturday [22 January], officials from the development zone said that they would regard its tenth anniversary as the starting point of a new drive for more investment and better economic returns.

Tianjin Township Enterprises Production Increases

OW2201021694 Beijing XINHUA in English 0206 GMT 22 Jan 94

[Text] Tianjin, January 22 (XINHUA)—The rural township industry in Tianjin picked up in 1993, with a total production output value of 54 billion yuan, a sizzling 35 percent rise from the previous year.

The rural sector in the city earned nearly four billion yuan, up 38 percent over 1992. The output value of the township enterprises was about 85 percent of the total for all rural households.

The development of Tianjin's rural sector has derived from the advantages of its coastal area around the Beijing and Tianjin urban districts.

Both rural productivity and industrial earnings have taken the lead in the whole township industrial sector of the country.

There are now 42 township companies whose annual output goes beyond 100 million yuan; and the total annual output value in 14 different industrial sections each surpasses one billion yuan, including the ferrous metals, machinery, chemicals and textile industries.

The city has also set up 43 township business groups over the past few years.

Most of these rural enterprises have now entered the market by adopting a joint stock system. There are more than 630 such companies that carried out the stock system by the end of last year, according to a recent survey conducted by a governmental department.

Also, the flow of foreign investment into the rural areas has breathed life into the township enterprises.

In 1993, the municipal government approved the building of 885 new joint ventures, with over 400 million U.S. dollars flowing in.

About 1,280 township companies earned 5.1 billion yuan through exports alone.

With the rise of the service industry, the city also earned 800 million yuan last year, a 90 percent rise from the previous year, and broke ground in developing its commerce, food, transportation, real estate, and tourism.

It also channeled a large sum of money toward boosting the development of the new and high-tech industry, and more than 5,000 farmers took part in various training classes last year.

Tianjin Contracts For More Foreign Projects

*OW2101134994 Beijing XINHUA in English 1330
GMT 21 Jan 94*

[Text] Tianjin, January 21 (XINHUA)—North China's port city of Tianjin has made fast progress in contracting for construction projects abroad and providing labor services.

According to the city government, the projects contracted for and labor services provided during the period from 1982 to 1993 were worth 580 million U.S. dollars, with a business turnover reaching 280 million U.S. dollars.

There are now six major contractors in Tianjin operating in more than 50 countries and regions around the world.

The city has also set up labor service agencies and offices abroad.

Projects contracted include the designing and building of infrastructural facilities like factories, hospitals, offices, highways and water works.

Among the technical workers sent abroad are leading experts and specialists in various fields, doctors, and chefs specializing in Chinese cuisine.

They also include more than 7,000 sailors on over 200 foreign ships.

Tianjin Sees 'Inflow of Overseas Investment' Grow

*OW2501084194 Beijing XINHUA in English 0723
GMT 25 Jan 94*

[Text] Tianjin, January 25 (XINHUA)—A legion of well-trained personnel is one explanation for the increasing inflow of overseas investment into this largest port city of north China.

Many big-name companies and financial groups worldwide have come to do business in Tianjin because of the ample supply of talented people here.

Statistics show that in 1993 the city approved the setting up of a record 3,500 overseas-funded ventures, with a large proportion of them engaging in technology- or capital-intensive projects.

City officials said a healthy cycle of supply and demand, and transfer and management of talented people has formed in the city, as there is a steadily increasing supply of and demand for such persons.

At a talent fare on January 18 this year more than 30 overseas-funded enterprises were among hundreds of firms recruiting specialized technical and managerial personnel as well as skilled workers.

At one counter a solely Japanese-funded firm specializing in electronics in the city's high-tech development zone was visited by more than 100 high-grade personnel though the company wanted to hire only 20 management professionals.

Qin Huilin, personnel manager of the firm, said, "we have plenty of room to maneuver and pick out the best."

She also said that in just one month before the firm went into business in August 1992, the company had recruited over 200 people skilled in management, finance and technical maintenance to fill all the vacancies.

After a short period of training all of them were well adapted to their respective work, Qin said, adding that the firm's product quality has reached the Japanese standard.

"A major reason that we have progressed so far and so fast is that we have a qualified staff," she said, noting that all the 500 employees of her company were recruited from talent centers.

Zhou Jiazhu, chief executive of the Tianjin Municipal Talent Exchange Center, said more than 1,000 overseas-funded ventures hired over 20,000 well-trained professionals from his center last year but the overall situation of the city's labor market is that supply far surpasses demand.

He said world-renowned companies like Coca-Cola, Motorola and Yamaha can be choosy, as they are besieged by hundreds of applicants every day.

According to Zhou, Tianjin has a large bank of talent, with personnel specializing in all fields. No company in Tianjin will have difficulty employing any kind of high-level professional, he assured.

In one case, Zhou said, a joint venture unsure whether it could find several first-class technicians at a talent fare received more than 70 well-qualified applicants in only three hours.

An official with the municipal personnel bureau said the city has over 600,000 specialized professionals and technicians, and 200,000 of them are of superior grade. He added that, overall, more than 80 percent of the city's nine million-strong population are well-educated.

He further pointed out that the city's talent reserve will keep growing, as Tianjin has 26 universities, around 1,000 technical schools and more than 140 natural science research institutes.

As a result, the official said, the municipal economy is growing robustly and overseas-funded ventures are springing up ever faster.

The city's flourishing talent market is also attracting flocks of talented people in north China to Tianjin, he said, citing Beijing as one of the major sources.

The official said the on-going reform in the country's personnel and employment systems will push more people onto the market for job opportunities and transfers, which is sure to benefit overseas-funded ventures.

Meanwhile he said the Tianjin Municipal Government is to launch a series of projects, such as "The Rising Sun Project" and "The Cross-Century Talent Project", to tackle problems such as the aging of professional talents and knowledge structure as well as to train more people for its modernization drive in the long run.

Northeast Region

Heilongjiang Holds Public Security Work Conference

SK2501050894 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 24 Jan 94

[Text] At today's provincial conference on public security, procuratorial and judicial work, Xie Yong, secretary of the provincial commission on politics and law and vice chairman of the provincial people's congress standing committee, called on public security, procuratorial and judicial organs at all levels to exert utmost efforts to maintain political stability, further strengthen comprehensive management of public security, and actively provide effective legal services and legal guarantee for economic construction.

In 1993, the public security, procuratorial and judicial organs across the province and the broad masses of public security, procuratorial and judicial cadres and policemen acted in close connection with the central task of economic construction under the leadership of the provincial party

committee and governments at all levels, further strengthened and improved public security work, dealt strict blows to serious criminal activities, concentrated efforts on investigating and handling major and appalling criminal cases, strengthened comprehensive management of public security, actively provided legal service for reform, opening up and economic construction, effectively safeguarded political and social stability in the whole province, and made important contributions to economic and social development. The provincial party committee has decided that the general guiding ideology of public security, procuratorial and judicial work in 1994 is to conscientiously implement the guidelines of the third plenary session of the 14th CPC Central Committee and of the national public security, procuratorial and judicial work conference, act in close connection with the central task of economic construction, pinpoint the priorities, comprehensively promote this work, give full play to the functional role of public security, procuratorial and judicial organs, safeguard political and social stability, and strive to create a good social environment for building the socialist market economic system.

Xie Yong pointed out: In the past year, all localities across the province acted in line with the plans of the provincial party committee, consistently considered safeguarding political stability as the task of prime importance, did lots of painstaking and meticulous work, and succeeded in maintaining political stability in the whole province. This year we should realistically safeguard political stability as the task of prime importance, acted in close connection with the key aspect of correctly handling the internal contradictions of the people, strive to deeply and meticulously carry out this work, and try by all possible means to maintain political stability in the whole province. Party committees and governments as well as public security, procuratorial and judicial departments at all levels should properly handle the relations of stability, reform, and development, and maintain political stability during the whole course of reform. When we issue one reform measure, we should give consideration to the possible influence that may cause to political stability, purposefully adopt preventive measures, and strive to reduce social turbulence. It is necessary to realistically strengthen ideological and political work, strive to dissolve social contradictions, be good at hearing the voice of the masses and using the democratic, persuasive, and educational methods to improve the ideological feelings of the people. All localities should act in line with the demand of the provincial party committee, pay great attention to the living of workers of enterprises with difficulties, actively raise funds to pay the wages of workers left in arrears, and help them solve practical difficulties. Party and government leaders and relevant departments at all levels should pay full attention to the hot issues which the masses show strong reactions, adopt effective measures and solve them one by one in an effort to calm the feelings of the masses and guarantee political stability.

Xie Yong pointed out: To further successfully carry out the public security comprehensive management work under

the new situation, this year all localities should conscientiously implement the central stipulations on implementing the leadership responsibility system in comprehensive management of public security, further implement the principle that those who takes charge of the work should assume full responsibility and the system of negating everything if one fails to do a good job in public security work, help the party and government leaders at all levels grasp the comprehensive improvement of public security.

Xie Yong emphatically pointed out: This year we should regard cracking major cases, dealing blows to criminal cliques, and capturing escaped criminals as the priorities, strengthen routine work, organize special struggle in a timely manner, resolutely check the upward trend of major cases, such as murder, robbery, rape, major theft, and serious crimes on violence. To do a good job in dealing strict blows to criminals, we must conscientiously solve the problem of failing to strictly enforce law and further raise the quality of dealing blows and social effect. It is necessary to conscientiously consolidate cultural places, strengthen control over the criminal trend and fugitive criminals in society, actively conduct activity on running villages in line with law, and implement democratic management.

Heilongjiang Reports 1993 Power Production Results

SK2001141294 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 19 Jan 94

[Summary] In 1993 Heilongjiang Province enjoyed again the news of victory in its power production. Its annual power output reached 37.15 billion kwh and showed a 7.4 percent increase over 1992. Its annual volume of power supplies reached 30.85 billion kwh and showed a 4.1 percent increase over 1992. The per capita productivity on the province's power industrial front reached more than 74,900 yuan in the year and showed a 15 percent increase over 1992, topping the previous peak. By vigorously promoting sales and bringing the cost and spending under strict control, the province's power industrial front showed a decrease in varying degrees in the standard coal consumption and the rate of electricity losses over 1992. The front saved more than 137,000 metric tons of standard coal and 24 million kwh of electricity in the year. Meanwhile, the province invested 1.95 billion yuan in the capital construction projects of power production, which showed a 31.6 percent increase over 1992. The volume of electricity turned out by the newly built generator sets reached 220 kilovolts in the year. The transmission lines newly established in the year were 22 km. The capacity of transformer substations newly built in the year reached (750,000) kilovolt amperes. The province's power industrial front also scored marked achievements in bringing in foreign capital for the construction projects.

Heilongjiang Implements Ban on Rhinoceros Horn Trafficking

OW2201065294 Beijing XINHUA Domestic Service in Chinese 2117 GMT 19 Jan 94

[By reporter Di Jingyao (5049 2529 5069) and correspondent Mou Jingjun (3664 2529 0689)]

[Text] Harbin, 20 Jan (XINHUA)—Heilongjiang Province has firmly implemented the State Council's "Circular on Banning Rhinoceros Horn Trade" and "Circular on Speedily Investigating and Dealing With Illicit Activities of Smuggling and Profiteering in Rhinoceros Horns, Tiger Bones, and Other Endangered Species." Recently, it openly destroyed by burning on the bank of the Songhua River some 50 kg of tiger bones and rhinoceros horns confiscated since last year. This action has been well received in various quarters.

This is the first time China has resorted to burning confiscated rhinoceros horns and tiger bones which were to be resold at a profit. According to people concerned, Heilongjiang's action demonstrates China's seriousness in implementing the "Convention on International Trade in Endangered Species."

Tigers and rhinoceroses are valuable and endangered wildlife that have been categorized as the state's first class key protected animals. Although China does not have a rhinoceros, it has attached great importance to the animal. Since 1981, it has never allowed rhinoceroses to be imported into the country, and has imposed a series of protective measures on tigers within Chinese territory.

Heilongjiang, which has relatively rich resources in wild animals, has all along paid due attention to protection of wild animals. During the statutory inspection organized by the Environmental Protection Committees under the National People's Congress and the State Council last year, Heilongjiang mobilized more than 3,800 people to carry out inspections in nature reserves, drug stores, pharmaceutical factories, ports, as well as guesthouses, markets, and trade fairs; and it adopted various measures to crack down on smuggling and profiteering in rhinoceros horns, tiger bones, and other rare wildlife; and the measures have had a positive effect on protecting wild animals.

Liaoning Secretary Attends, Addresses Meetings

Prepares for Spring Festival

SK2501064594 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 24 Jan 94

[Text] The leading comrades of the provincial and Shenyang city organs, including Gu Jinchi, Yue Qifeng, Zhang Guoguang, Xu Wencai, and Zhang Rongmao, inspected market supplies for the Spring Festival in Shenyang on the morning of 24 January and called on staff members and workers on the commercial front.

At 0900 that day the leading comrades, including Gu Jinchi and Yue Qifeng, came to the Dadong shopping center of nonstaple foodstuffs. Gu Jinchi said: The state-owned nonstaple foodstuffs stores should upgrade as much as possible their commodity grade and service level as the Dadong shopping center has done so as to saturate the people's demands. Yue Qifeng said to (Wang Guofu), manager of the shopping center: Market commodities for the Spring Festival this year are abundant and commodity prices are stable. Staff members and workers on the

commercial front have done a great deal of work in this regard. In this connection, we would like to extend thanks to them.

At 1000 that day, the leading comrades of the provincial and Shenyang city organs came to the Commercial Building in the center of Shenyang. At the central shopping center, they deeply felt that the shopping center has more products turned out by outside provinces than those turned out by our province. Yue Qifeng said while picking up a sweater: Our province is totally able to process such products and the leadership of our enterprises should learn from their concept on markets, which should produce what the markets need.

In the afternoon that day the provincial leaders also visited and saluted a number of enterprises and households of staff members and workers in Tiexi district of Shenyang, which are encountering special difficulties.

Addresses State Security Forum

*SK2601062994 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 25 Jan 94*

[Text] The three-day provincial conference on state security concluded in Shenyang on 25 January. Liu Zhenhua, standing committee member of the provincial party committee and secretary of the provincial commission for politics and law, presided over the conference. Provincial leaders Gu Jinchu, Quan Shuren, Sun Qi, and Cong Zhenlong attended.

Gu Jinchu, secretary of the provincial party committee, spoke at the conference. He pointed out: Safeguarding state security is a major task of the entire party and all the people. Party committees and governments at all levels should understand the importance of strengthening the state security work from the perspective of defending the state's lasting order and stability, put state security work in an important position, and conscientiously strengthen leadership over state security work. We should extensively and thoroughly give publicity to and conduct education on the state security law, mobilize and organize party members and the masses to support and coordinate with the work of state security organs, and wage struggles according to law against all criminal activities that endanger state security.

Attends Monetary Work Forum

*SK2601062794 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 25 Jan 94*

[Text] The provincial monetary work conference was held in Shenyang on 25 January. Gu Jinchu, Wen Shizhen, and Guo Tingbiao attended and addressed the conference.

Monetary departments in the province made great efforts to carry out rectification and reform last year. Their year-end amount of savings deposits totaled 161.6 billion yuan, an increase of 26.1 billion yuan over the figure calculated at the beginning of the year; and their year-end amount of loans totaled 200.7 billion yuan, an increase of 34.7 billion yuan.

Gu Jinchu, secretary of the provincial party committee, pointed out at the conference: Whether the economy is promoted is the major criterion to judge whether good results are achieved in monetary reform. Therefore, monetary departments in the province should seize the opportunity, boldly emancipate their mind, exert active efforts to achieve progress, and make a new step in improving their operating mechanism and ease the shortage of funds.

Wen Shizhen and Guo Tingbiao said in their speeches: Shortage of funds remains to be a conspicuous problem in economic reform in the new year. Therefore, it is hoped that monetary departments will resolve four issues in the period prior to and after the Spring Festival. First, they should ensure the regular expenses on staff members and workers. Second, they should make sure that no IOU is issued to peasants during the purchases of farm and sideline products. Third, they should ensure the commodity supplies during the festival. Fourth, they should supply funds on a priority basis for the purchases of raw materials and fuels needed in industrial production.

Liaoning Holds Eighth Provincial People's Congress

*SK2101104594 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 20 Jan 94*

[Text] The Sixth Standing Committee Meeting of the Eighth Provincial People's Congress was held in Shenyang on 20 January. Quan Shuren, chairman of the provincial people's congress standing committee, presided over the first plenary meeting. Yu Xiling, Chen Suzhi, Feng Yousong, Li Jun, Bi Xizhen, Qi Zheng and Xu Tingsheng, vice chairmen of the provincial people's congress standing committee, attended the meeting. Vice Governor Xiao Zuofu; Zhang Huanwen, president of the provincial Higher People's Court; and Wang Zhenhua, deputy chief procurator of the provincial People's Procuratorate, attended the meeting as observers.

Li Jun relayed the guidelines of the Fifth Session of the Eighth National People's Congress [NPC] Standing Committee.

The meeting listened to explanations on Liaoning Province's draft method for implementing the PRC's law on deputies to NPC; on Liaoning Province's draft regulation on the formulation and approval of local laws and regulations; on Liaoning Province's method for implementing the PRC's law on protecting disabled people; on Liaoning Province's draft trade union regulations; on the discussion report of Shenyang city's construction market management regulation; on the discussion report of regulation on Shenyang city's arbitration of urban real estate disputes; the discussion report on the regulation of protecting Dalian city's special marine products and natural resources; on the draft decision concerning the convocation of the Second Session of the Eighth Liaoning Provincial People's Congress. The meeting also held group discussions on Liaoning Province's draft method for implementing the PRC's law on deputies to NPC and to local people's congresses at all levels, and on Liaoning

Province's draft regulation on the formulation and approval of local laws and regulations.

Liaoning Economic Work Conference Ends 21 Jan

SK2501004294 *Shenyang Liaoning People's Radio Network in Mandarin* 2300 GMT 21 Jan 94

[Text] The four-day provincial economic work conference ended in Shenyang on 21 January. Vice Governor Wen Shizhen gave a summing-up speech on seizing the opportunity, greeting the challenge, developing reform, and pushing the whole province's economy to a new stage.

Wen Shizhen said: Big reform will bring big emancipation and development of the productive forces. Under the situation in which difficulty and opportunity have coexisted, the key to successfully carrying out economic work lies in our mental state, good or bad. If we can maintain a sober mind, enhance the sense of urgency and responsibility, turn pressure into motivation, strengthen spirit, and advance despite difficulties, we will surely be able to seize the new opportunity, greet new challenges, and realize new development.

Wen Shizhen touched on the following views on pushing our province's economy to a new level this year: Conscientiously carry out reform of the financial and tax system, actively broaden sources of income and reduce expenditure, and do a good job in financial and taxation work; rationally determine the base figures of revenue and expenditure, and make good arrangements for 1994 financial budget; fully understand the major significance in reform of the tax system, turn pressure into motivation, and actively cultivate new tax sources; concentrate efforts on raising the economic efficiency of enterprises, and while paying attention to large and medium-sized state-owned enterprises, exert efforts to develop tertiary industry and township enterprises; and actively guide enterprises to expand foreign export trade, and raise the level of creating foreign exchange.

Wen Shizhen pointed out: This year is crucial to our province's reform and development. Particularly, the state has successively issued a series of major reform measures within a very short period of time. To guarantee the real implementation of these reform plans in our province, we should change work style, make earnest efforts to do practical things, work creatively, advocate the practice of handling official work on the spot, promote the habit of conducting investigations and studies, care for the living of the people, pay attention to solving difficult problems and hot topics in society, and guarantee the smooth implementation of the state's all sorts of major reform measures.

Governor Yu Qifeng and Vice Governors Guo Tingbiao and Gao Guozhu attended the conference on 21 January.

Liaoning Elects Additional Deputies to NPC

SK2501061794 *Shenyang Liaoning People's Radio Network in Mandarin* 1000 GMT 24 Jan 94

[Text] The sixth meeting of the eighth provincial people's congress standing committee concluded in Shenyang on 24

January. Attending the meeting were Quan Shuren, chairman of the provincial people's congress standing committee; as well as Yu Xiling, Feng Yousong, Li Jun, Bi Xizhan, Gao Jizhong, (Xu Zheng), and Xu Tingsheng, vice chairmen of the provincial people's congress standing committee.

Attending the meeting as observers were Xiao Zuofu, vice governor of the province; and Zhang Huanwen, president of the provincial higher people's court.

During the meeting, the participating members approved the decision made by the provincial people's congress standing committee with regard to convening the second session of the Eighth Liaoning Provincial People's Congress. They approved the province's measure of enforcing the PRC's representative law of National People's Congress [NPC] and local people's congresses at all levels, the province's measure of enforcing the PRC's law on protecting handicapped people, the province's draft regulations on trade unions, the Shenyang city's regulations of management over construction markets, the Shenyang city's regulations on arbitrating the disputes of urban real estate, and the Dalian city's regulations of management over the special aquatic resources. They also approved the report made by the five specialized committees under the provincial people's congress, including the internal affairs and judicial ones, with regard to the results scored in handling the motions submitted by the presidium of the first session of the eighth provincial people's congress. They elected Zhang Rongmao and (Liang Zengbiao) as supplementary deputies to the NPC and approved the appointment of director of the provincial radio and television broadcasting department for (Zhang Enhua) and other personnel changes.

Liaoning Formulates Technological Development Plan

OW2501160394 *Beijing XINHUA in English* 1449 GMT 25 Jan 94

[Text] Shenyang, January 24 (XINHUA)—Northeast China's Liaoning province has recently worked out a scheme for its technological development, according to the provincial government.

The scheme, aimed at developing upgraded new and high-tech products, is expected to help enterprises in the province to survive fierce competition on the international market.

The scheme engages in new and high-tech development including micro-electronics, computer software science, new materials, automation and robotics, biological and oceanic engineering, energy saving, environmental protection and transportation.

The plan will help the province, one of the most important industrial bases in China, to frame the future expansion of its leading industries, a government official said.

The province, now dominated by energy-consuming industries, is expected to shift to technology-intensive production with the implementation of the scheme.

Four engineering centers concerning the development of new materials, industrial robots, special integrated circuits and biological technology will be set up in the province around the year 2000.

More than 3,500 series of products will be developed, of which 70 to 80 percent will be put into production.

The provincial government will work out special policies to promote research and development programs in basic sciences and technology and help to put them into industrial production, the official said.

Major programs will seek overseas cooperation so as to speed up the industrial production of new and high technologies, he added.

Liaoning Reports Increase in Gold Output

SK2201143494 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 21 Jan 94

[Summary] Liaoning Province increased its gold output in 1993, which has topped the previous peak. By the end of last year, the province overfulfilled the annual production plan and its output showed a 7.07 percent increase over 1992. The province's output of gold finished products in the year showed a 24.53 percent increase over 1992. The province's gold production front realized 150 million yuan of profits and taxes, which showed a 580 percent increase over 1992. The volume of gold deposits newly prospected in the year reached 31.8 metric tons.

XINHUA Views Cross-Strait Hijackings**Commentary Urges 'Punishment'**

OW2501220994 Beijing XINHUA Domestic Service in Chinese 0718 GMT 25 Jan 94

["Commentary" by unidentified XINHUA commentator: "Criminal Hijackers of Aircraft Must Be Sternly Punished"]

[Text] Beijing, 25 Jan (XINHUA)—Sun Xianlu, a criminal who used violence to hijack a plane, was sentenced to life in prison and was stripped of his political rights for life. He deserves such a punishment.

For a while, some criminals have resorted to using violence and terrorist acts to hijack Chinese civilian passenger aircraft to Taiwan, thus seriously endangering aircraft passengers' lives and property, jeopardizing flight safety, and creating abominable influences on both sides of the Taiwan Strait as well as throughout the world.

Hijacking civilian aircraft is a terrorist act that seriously threatens people's lives and safety. This kind of act is in violation of Chinese law, and all countries and regions throughout the world consider it a serious crime and impose stern punishments on plane hijackers. International conventions in this regard contain stipulations for dealing with plane hijackings; all countries and regions of the world have the obligation to crack down on aircraft hijackings.

Why have aircraft hijackings occurred so frequently across the Taiwan Strait? By recalling the few aircraft hijackings over the last few years, any person with a sense of justice and without political prejudice can see that the reason why plane hijackings have occurred so frequently is simply because of the Taiwan authorities' connivance with and giving unprincipled protection to hijackers. It is simply the Taiwan authorities' giving unprincipled protection to aircraft hijackers that has finally resulted in abominable consequences, and these abominable consequences have not only brought suffering to some mainland people but have also brought misfortune to some Taiwan compatriots. On 2 October 1992, Jiang Xiaofeng attempted to hijack a plane to Taiwan. This resulted in a disaster that killed 128 people, including 30 Taiwan compatriots; that injured 53 people, and that destroyed three planes. Zhuo Changren and his partners, who hijacked a plane to Korea in May 1983 and who were later received by Taiwan, joined the black society in Taiwan and kidnapped and killed a man, thus posing a danger to the people in Taiwan. This incident also proves that aircraft hijackings have also brought misfortune to Taiwan compatriots.

As for the issue of how mainland hijackers of aircraft are treated, although the Taiwan authorities have changed their attitude of considering plane hijackers to be "anti-communist heroes" and have sentenced the criminals Huang Shugang and Liu Baocai, who hijacked a plane to Taiwan on 6 April 1993, to 10 years in prison and have sentenced the plane hijackers Zhang Wenlong, Yang Mingde, and Han Fengying to six to nine years in prison;

and although Taiwan's procuratorate has demanded that some other mainland plane hijackers be sentenced to 12 years or more in prison, these sentences, as has been pointed out by Taiwan's media, are too lenient for such serious crimes, even when using Taiwan's "law" as the criterion.

The Taiwan authorities' arguments for refusing to repatriate plane hijackers not only cannot hold water but also are ridiculous. One of their arguments is the so-called "humanitarian considerations." In fact, plane hijackers use passengers as hostages in an attempt to serve their evil purposes, thus seriously jeopardizing passengers' lives and flight safety. Therefore, only the stern punishment of criminal hijackers of aircraft can ensure passengers' safety, which is truly humanitarian. Another thing is that, in dealing with plane hijackers, the Taiwan authorities still focus on the motive for the crime, thinking that, objectively speaking, the hijackers' cases deserve sympathy. Actually, in a society ruled by law, the decision concerning any crime should be strictly based on the facts of the crime. Moreover, according to the investigations conducted by our departments concerned and by the Taiwan police, some criminal aircraft hijackers were people who were on the run for embezzling public funds, some were habitual gamblers who were on the run because of their inability to pay their gambling debts, some were people who ran away from paying their business debts, some were suspects in major burglaries, and some were people who hoped to go to Taiwan to get rich and enjoy themselves.

Not only some people with insight and the news media of Taiwan have denounced all these practices of the Taiwan authorities. Taiwan's police and procuratorial authorities, who have handled the various plane hijackings, have also been bothered by the frequent hijackings and have openly suggested to the Taiwan authorities that "plane hijackers be sent back to the mainland after they are tried," saying that "otherwise, the evil trend will never be stopped."

Our opinion is that to fundamentally solve the problem of hijacking planes to Taiwan and to reduce aircraft hijackings to the minimum or to completely prevent such incidents from occurring, the most direct and effective way is for the Taiwan authorities to repatriate and hand over all criminal hijackers to the mainland. Here is something that is noteworthy: In their working consultations, the Association for Relations Across the Taiwan Strait and Taiwan's Strait Exchange Foundation have reached a common understanding—that is, plane hijackers across the strait must be repatriated.

We hope that the Taiwan authorities will sincerely put aside the political and legal problems that cannot be solved for the time being and, with a pragmatic attitude, find a way that is acceptable to both sides so that an agreement on repatriating plane hijackers can be reached at an early date. We hope that the Taiwan authorities will make practical efforts to thoroughly prevent plane hijackings across the Taiwan Strait. Only by doing so can the Taiwan authorities make themselves not guilty both to history and to compatriots on both sides of the strait.

Article Criticizes Hijackers

OW2301163394 Beijing XINHUA Domestic Service in Chinese 1317 GMT 21 Jan 94

[Article by LIAOWANG WEEKLY reporters Fang Jinyu (2455 6651 3768) and Li Dahong (2621 1129 1347): "People Across the Strait Say 'No' to Hijackers"]

[Text] Beijing, 21 Jan (XINHUA)—According to the Civil Aviation General Administration, it began implementing new stipulations on security checks since the middle of last November on passenger airliners serving the southeastern coastal regions. These include: a strict check of passengers, opening and checking passengers' limited hand-carried luggage, and forbidding passengers to carry aboard any hand tools and cutlery which could be used to hijack aircraft.

A responsible person at the Civil Aviation General Administration told us that the administration was forced to make this decision, and he called for the understanding of all domestic and foreign passengers.

Behind the Civil Aviation General Administration's unprecedentedly strict decision, which nearly borders on "harassment," lies a shocking fact: China's passenger airliners were hijacked several times in 1993 by criminals from different spots in China to the same Chinese airport—Taipei's [Taipei] Taoyuan Airport!

People cannot help wondering: Are there really any benefits to be reaped from hijacking planes to Taipei? Who is "to blame" for the constantly occurring cross-strait hijackings?

"Memorandum" for Cross-Strait Hijackings

Cross-strait hijackings can be traced back 10 years.

Only two passenger planes were hijacked across the strait in the early 1980's. On 25 July 1982, a China Civil Aviation airliner was hijacked by Sun Zhiping and other four mainland criminals. Crew members, assisted by passengers, fought bravely with the criminals. One of the criminals was killed and the other four were arrested. Seven crew members and passengers were wounded. The hijacking attempt was foiled.

On 5 May 1983, Zhuo Changren and five others, after shooting and wounding crew members, hijacked a mainland passenger plane to South Korea. Zhuo Changren and the other criminals were brought to Taiwan without having fully served their prison terms in South Korea and were deemed "anticommunist heroes." What was most "dramatic" about the Zhuo Changren case was that in the very beginning Taiwan thought that the mainland had "lost face greatly." But now, even the former Taiwan "ambassador" to South Korea regrets that Taiwan "made such a great effort to bring a bunch of murderers to Taiwan."

Facts have shown that all hijackers are cruel and violent. He who "loses face" is precisely the party that "shelters the hijackers."

In the mid-1980's, it was "all quiet" on the two sides of the strait.

On 12 May 1988, the mainland criminals Zhang Qingguo and Long Guiyun hijacked and forced a mainland plane to land on a Taiwan military airfield. It should be noted that the plane hijacked by Zhang Qingguo and Long Guiyun was the first mainland passenger aircraft to be directly hijacked to and landed in Taiwan. As usual, Zhang Qingguo and Long Guiyun said that their reason for the hijacking was "to seek freedom." But the treatment they received from the Taiwan authorities was: no title of "anticommunist hero," no cash award, and a three-and-a-half-year prison term, with their being "paroled" after serving 21 months and being allowed to "settle" in Taiwan.

In December 1989, the criminal Zhang Zhenghai hijacked a passenger plane destined for Taiwan, but the plane was forced to land in Fukuoka, Japan. Japan did not allow him to proceed to Taiwan. Zhang Zhenghai was repatriated to the mainland to stand trial. He was given an eight-year prison sentence.

It should be said that although the hijackings by Zhuo Changren, Zhang Qingguo, and Long Guiyun, as well as the shelter given to them by and the connivance of the Taiwan authorities did not produce for mainland civil aviation a tragedy of plane crashes and human casualties, these did indeed "set up" an extremely dangerous "time bomb." To the mainland's criminal elements, the Taiwan authorities' actions are like their sending them this "message: "If you hijack a plane to Taiwan, all you have to do is to 'sit' in prison for several years and then you may be allowed to 'settle' on the island."

This "time bomb" finally exploded on 2 October 1990.

On that day, the criminal Jiang Xiaofeng, when he realized that the captain, far from following his "hijacking order," had landed the plane at Guangzhou's Baiyun airport, in a rage beat the captain, caused the hijacked plane to collide with two other planes parked on the runway, and created a great tragedy in which 128 people were killed, 53 people were injured, and the three planes were completely destroyed. Not only mainland people and the mainland civil aviation company were victims of this hijacking tragedy; 30 Taiwan compatriots also perished in that incident. Compatriots on both sides of the strait were greatly shocked! This incident caused an uproar among the international public.

The Kind of People Hijackers Are

In 1990, Taiwan's relevant authority, yielding to the pressure of public opinion, announced that Taiwan would not welcome hijackers and anyone hijacking a plane to Taiwan would be promptly repatriated. Hence, the sky across the Strait was quiet for a while. However, the Taiwan authority did not keep its words. Following the hijacking on 4 April 1993, Taiwan, instead of promptly repatriating the hijackers, emphasized the "judicial jurisdiction" and "kept" the criminals in Taipei. Thereafter,

the cross-strait sky has not been so quiet. Although the Taiwan authority failed to keep the promise, people began to notice some "improvement" in Taiwan's handling of hijackers.

Did the series of hijackers from the mainland really have a sweet taste of their "fruits" in Taipei? A review of hijackers' criminal records in the mainland and their "comic" show in Taipei would set people roaring with laughter.

Take hijackers Huang Shugang and Liu Baocai for instance. It has been verified by our Public Security Ministry that criminal Huang is the culprit of a major graft case involving over 200,000 yuan. When he was brought to the court in Taipei, he had the audacity to beg the police to remove his handcuffs during public appearance. As he said, he would never dream of becoming a "captive" when he hijacked the plane to Taipei. Hence, we can see from this single instance the whole picture of the depicable, pitiful, ludicrous face of hijackers.

Let us take a further look at more recent hijackers.

Hijacker Shi Yuebo (a self-employed man from Xiaoli Township, Rongcheng County in Hebei Province), who had no previous criminal record, hijacked a plane to Taipei 10 August because he was in arrears of a 150,000 yuan-loan he had obtained through illicit connections.

Yang Mingde and Han Fengying were the couple who hijacked a plane 30 September. Yang, after resigning from a forestry farm in the northeast, took his wife and son to Shandong's Dongying City to set up a family-run business. Due to poor management, he was in debt for more than 10,000 yuan. He thought hijacking would be a "good way out."

Zhang Hai, who hijacked a plane 5 November, was a former driver of the Tangshan City Government. In the late eighties, his mother visited her father, who lives in Taiwan. According to Taiwan press reports, Zhang's maternal grandparents had sent tens of thousands of dollars to help his mother in recent years. In his confession in Taiwan, Zhang boasted of spending as much as over 10,000 yuan at song and dance halls in a single night. Furthermore, Taiwan's LIAN HE BAO [LIEN HE PAO] cited Zhang Hai, who had left behind his aging mother and infant son, as saying after arriving in Taipei: I have come to my maternal grandfather for help. However, both his grandfather and uncle told reporters that they did not want to see him.

Wang Zhihua, who hijacked a plane on 8 November, was very straightforward. Upon the hijacked plane's arrival in Taipei, he told the Taiwan police: I had a fight with my plant director; therefore, I hijacked the plane. Later he said: As I had committed a crime in the mainland, I hijacked the plane before the mainland police could get me. It is understood that culprit Wang, age 36 and a native of Heilongjiang's Hulan County, is a former worker of the Harbin No. 4 Pharmaceutical Plant. There is evidence of him embezzling 80,000 yuan; and he is suspected of a major larceny case....

Li Xiangyu and Han Shuxue, who hijacked a plane on 12 November, committed the crime also to evade debts. It is understood that Li, divorced and living by himself, is a former studio employee in Jilin's Tongyu County. In 1991 when he set up the "Donggang Tourist Company," he borrowed a 22,000 yuan loan with two guarantors. However, when the loan repayment was due, he could not make it. Hence, the two guarantors filed a lawsuit with the court which ruled that Li should auction his house to repay the loan. On 5 November, Li sold his house for 15,000 yuan and told friends he was going to "fly far and high." Han, a hospital doctor of the same county and who has been divorced twice and is living by himself, reportedly has incurred heavy debts....

Taiwan's newspapers have portrayed hijackers from the mainland as ill-informed and poorly educated people shouting political slogans to pursue individualistic aims.

Zhang Xin, senior honorific research of the Chinese University of Hong Kong, has incisively pointed out: To alleviate the trouble for Taiwan and reduce the hostility between the two sides of the Strait, the Taiwan authorities should turn hijackers over to the mainland.

Taiwan's Public Opinion Says: "We Do Not Welcome Hijackers!"

On 7 April 1993, shortly after the first plane hijacking last year, "legislators" Yu Zhengxian and Zeng Zhenhong of Taiwan's "Legislative Yuan" publicly said: Huang and Liu should be repatriated to the mainland to avoid covert encouragement of plane hijacking and letting people think that Taiwan is a paradise for hijackers.

On 11 August last year, Taiwan's FREEDOM TIMES [TZU YOU SHIH PAO] carried an editorial, entitled: "Say 'No' to Plane Hijackers!" The editorial pointed out: "Hijacking should not be allowed for whatever the reason." The Taiwan authorities "should make a solemn statement to oppose the act of hijacking" and should "severely punish hijackers so as to clear Taiwan's reputation of being a 'paradise' for plane hijackers."

Taiwan's police and procuratorates, which have been kept constantly on the run by handling those cases, repeatedly expressed that the authorities should "repatriate plane hijackers to the mainland after trying them" for "otherwise such an evil practice cannot be stopped."

Regretfully, owing to the fact that those plane hijackers were not sent back to the mainland, several more plane hijacking cases happened in April, June, August, and until the end of last year. Taiwan's public opinion came to the end of its patience. A young teacher sent a letter, entitled: "Hijacking Again, How Annoying!" to Taiwan's CHINA TIMES [CHUNG KUO SHIH PAO].

Now we should clearly understand two things.

1. Who "started the trouble" and caused the frequent happening of such "farce" between the two sides of the Straits?

Cultural worker Li Suosi wrote an article for Taiwan's UNITED DAILY [LIEN HO PAO], pointing out: "Now we are all very angry and almost want to immediately dump those hijackers into the ocean. But have we realized that these are the results of our encouraging mainlanders for 40 years? We broadcasted the news and welcomed and gave them rewards. Later, we gave them light sentence and tolerated them. Only in the most recent year, have we really "said" that we would sentence them to 10 years of imprisonment. Those who were not informed still want to come. Whom shall we blame?"

2. After knowing who started the trouble, we know who shall be responsible for ending the trouble.

"To fundamentally solve the problem, the most straightforward method is to send those hijackers back to the mainland and stop their intention to remain here." Businessman Li Lan of Taiwan's Yilan [Ilan] City wrote an article in Taiwan's newspaper, entitled: "Only by Repatriating Hijackers Can the Sky Be Safe." He pointed out in his article: "We firmly believe that only when those desperadoes know that hijackers will also face the destiny of being sent back can civil aviation be safe on both sides of the Straits!"

Taiwan's MIN SHENG PAO reminded the Taiwan authorities: Conniving at plane hijacking and treating hijackers kindly "will be a big obstacle to establishing mutual trust between the two sides of the Straits and will be unfavorable to effective and positive exchanges between the two sides." The consequences would be very worrisome.

According to reports by Taiwan's newspapers, once those hijackers saw Taiwan's newspapers, most of them were "upset" and "scared stiff." Some of Taiwan's police forces suggested that those plane hijackers should not be allowed to see newspapers.

Civil Aviation on the Mainland Are Adopting Emergent Measures

The Civil Aviation General Administration of China (CAAC) has been making great development for more than 10 years since the beginning of reform and opening up. It has made particularly rapid progress in recent years at a rate of expanding by over 30 percent annually. It has bought many planes, opened many flight routes, and employed many new workers. People can see the contributions made by CAAC to economic development on the mainland and to exchanges between the two sides of the Straits. However, both hardware and software somehow cannot keep up with the rapid development.

However, one thing is quite certain: CAAC has always attached great importance to the question of flying safety to protect civil air transportation and insure the safety of passengers and airplanes. In particular, since the beginning of this year, in view of the frequent hijacking of planes to Taiwan, CAAC appropriated 100 million yuan for the procurement of additional security instruments and facilities (including relatively advanced X-ray machines and security inspection doors generally used by civil airports of

various countries) for various airports despite the tight budget. CAAC has also strengthened professional training for ground and air security personnel in light of the situation.

It was learned that CAAC has provided special equipment, which can be used to restrain hijackers without endangering flying safety, for airplane security personnel. CAAC has warned, transferred, or dismissed a number of staff members and workers who were held responsible for the hijacking incidents last year.

It was also learned that due to resolute measures adopted by the CAAC, several plane hijacking attempts were foiled on the mainland last year. On 26 November 1993, hijacker Gao Guangkai's hijacking scheme was foiled.

A responsible CAAC person hoped to make an apology to the broad masses of passengers through news media. He said: To effectively insure flying safety for Chinese and foreign passengers, passengers of various flights to or passing southeast coastal areas will be subject to special inspection. He hoped that passengers would understand the situation and cooperate with the action taken by CAAC. He especially stressed that simply relying on strengthening safety inspection cannot totally prevent the scheme of hijackers and that the most fundamental and effective way is to repatriate all plane hijackers from Taiwan and stop making Taiwan a paradise for hijackers.

Are not the words of this official right? Business Liu Changyuan of Taiwan's Jilong [Keelung] City said in a newspaper article: If we blame the mainland for all the reasons of plane hijacking, then we should ask why those hijackers only choose to fly to Taiwan and not to other places? Besides, the items used by several hijackers could not be detected by general safety inspection procedures. How can we blame the mainland for not being thorough in flying safety inspections? Must they take measures to the point of annoying all passengers?

It is hoped that Chinese and foreign tourists would, like Mr. Liu, understand why CAAC cannot but adopt temporary safety inspection measures to the point of "annoying passengers."

Plane Hijackers "Met with Misfortune" in Taipei

News from Taiwan at end of 1993 reported that hijacker Gao Jun tried to commit suicide at a detention house. After racking his brains in scheming the plane hijacking, why did he want to commit suicide shortly after arriving in Taipei? Gao Jun's "performance" merits attention and thinking by a small number of lawless people on the mainland who assume that hijacking a plane can bring them benefits.

At 0200 in the wee hours of the morning of 23 December, five other prisoners living in the same room with Gao Jun at the Taipei [Taipei] Taoyuan Detention House had already fallen asleep. Only Gao Jun sat there and could not sleep. A watcher asked him why he could not sleep. Gao Jun said with staring eyes that he could not sleep because he had swallowed batteries and his stomach ached. The

watcher was frightened and rushed him to a hospital. An X-ray examination showed he indeed had hard stuffs in his stomach. It was learned that Gao Jun swallowed two No. 4 batteries and the handle of a toothbrush. Gao Jun was kept in the hospital for observation and then sent back to a prison after doctors confirmed he would be all right. According to the analysis of Taiwan police, the reasons why Gao Jun committed suicide were: 1) His girl friend did not know about his hijacking scheme and was forced to return to the mainland on the same plane by Taiwan's police following his hijacking of the plane. Gao Jun was "hurt" and had high blood pressure. 2) He did not think that, after "flying" to Taipei, he would be put into a jail. When he was sent to the Taiyuan Detention House for "routine health examination," it was found that he had high blood pressure and was emotionally very unstable. It was learned that Taipei police are conducting "psychological guidance" for him.

Is it difficult or not difficult to solve the problem of frequent cross-strait plane hijackings?

The answer is: not difficult. Now, the measures that should be taken by the Taiwan side are simple and convenient. All they have to do is to send back all criminals involved in previous aircraft hijackings. Naturally, if the Taiwan side announces publicly after repatriating all hijackers that from now on all people who hijack airplanes to Taiwan will be repatriated, and if the mainland side also makes great efforts to coordinate and publicize Taiwan's announcement through the mainland's mass media, then all vicious

and stupid people on the mainland cannot but think twice before carrying out such heinous crimes as aircraft hijackings.

At the end of 1993, the Taiwan authorities held several days of a "cross-ministerial" conference. Wu Boxiong (Wu Po-hsiung), the convener of the Executive Yuan's "policy group for countering aircraft hijackings," finally announced that Taiwan's "Executive Yuan" has decided to repatriate plane hijackers so as to eliminate the possibility of aircraft hijackers' remaining in Taiwan. Wu Boxiong told Taiwan's reporters: "At present, plane hijackers can remain in Taiwan after serving their prison sentences. We must stop this kind of practice, which is an incentive."

In early 1994, news from Taipei said: Following the sentencing of Huang Shugang and Liu Baocai to 10 years in prison, the hijacker Zhang Wenlong was sentenced to nine years in prison, Yang Mingde was sentenced to nine years in prison, and Yang's wife Han Fengying was sentenced to six years in prison. Taiwan's procurators demanded that Zhang Hai, Li Xiangyu, Han Shuxue, and others be sentenced to more than 12 years. The Association for Relations Across the Taiwan Straits and Taiwan's Straits Exchange Foundation reached a common understanding in their routine discussion: that in principle, all aircraft hijackers of the two sides must be repatriated.

Even though the Taiwan authorities have made a decision on repatriating plane hijackers because of the strong demand of the people of the island, people believe what is more important is that the Taiwan authorities must implement the decision as quickly as possible.

Hong Kong

Continued Reports on Hong Kong Airport Project

Meeting With PRC 'Urgently Needed'

HK2601091494 Hong Kong AFP in English 0836 GMT
26 Jan 94

[Text] Hong Kong, Jan 26 (AFP)—Hong Kong asked Beijing Wednesday for an "urgently needed" meeting on airport funding, despite China's warning that it would not pay the project's post-June 1997 debts.

A spokesman said in a statement that a meeting with Beijing was "urgently needed to enable us reach agreement, so that these important projects can proceed without delay."

He said the government regretted the statement issued late Tuesday by China's Hong Kong and Macao Affairs Office, adding that it would not help with the construction of the 20.3-billion-U.S.-dollar airport.

The Chinese statement stressed that without a Sino-Hong Kong financial agreement on the project, China refused to recognize any laws or contracts associated with the airport that straddle the colony's reversion to Chinese rule in 1997.

China has repeatedly warned Hong Kong against pressing ahead with the airport without an agreement on financing arrangements as called for under a 1991 pact with Britain.

"We have always taken the view that it is much more constructive to discuss these issues in formal meetings of the airport committee, rather than through press statements," the spokesman said.

China's announcement came four days after Hong Kong's administration announced that it had offered to put an extra five billion Hong Kong dollars (646.83 million U.S.) into the airport in a bid to revive talks with Beijing on the project.

Hong Kong's financial secretary, Sir Hamish Macleod, revealed the offer Friday as the colony's legislature approved 1.67 billion dollars in stop-gap financing to keep work going on the airport.

Talks on the airport have stalled since Governor Chris Patten angered Beijing by launching his proposals to extend democracy in Hong Kong prior to 1997.

Although the Chinese statement expressed hope that talks would resume, it gave no direct response to a formal request from Britain Monday for a meeting of the Sino-British Joint Liaison Group, charged with deciding technical aspects of the 1997 transition.

Editorial on 'Violating Agreement'

HK2601105094 Hong Kong WEN WEI PO in Chinese
26 Jan 94 p A2

[Editorial: "Violating Agreement Is Bound To Reap What It Has Sown"]

[Text] China and Britain have signed a series of agreements regarding the transfer of government which are serious and binding. Chris Patten, since his assumption of the governorship of Hong Kong, has simply been ignoring these binding agreements, doing whatever he wants to do, taking unilateral actions, undermining steady transition, and creating chaos with a view to extending British rule and gaining more colonial interests. The man who totally disregards the agreements may think himself very clever. But, in fact, what he has done will prove to be the most stupid trick, since British interests rest on the agreements between China and Britain, too. If the British forsake these agreements and take their own way, they will finally find out that British interests will be hurt, and Chris Patten will reap what he has sown.

As far as the airport issue is concerned, Chris Patten has always been playing the "piecemeal" appropriation tactics, acting first and reporting afterward, as he believes that what has been done cannot be undone. His trick is to let the excess in the construction costs keep accumulating and the "callable equity" keep aggregating, and then leave the awful mess to the special administrative region [SAR] government.

In doing so Chris Patten definitely has impaired the interests of Hong Kong people and totally violated the Sino-British memorandum on the new Hong Kong airport project. An airport project with constantly inflating construction costs will certainly be a project of high costs and poor returns. The new Hong Kong airport is not to be built with pounds Chris Patten brings from his home country. Therefore, he is not entitled to be generous at Hong Kong's expense and to dispose of Hong Kong people's money lavishly. The memorandum has ruled that the liabilities related to the airport construction to be left behind by the British Hong Kong Government shall not exceed Hong Kong \$5 million. Now the increase in construction costs and repeated financial appropriations as a result of unilateral acts taken by the British Hong Kong Government will leave a HK\$45 billion worth of liabilities to be borne by the SAR government after 1997, which will be more than nine times as much as the limit set by the memorandum. The British Hong Kong Government's financial appropriations in violation of the guideline on liabilities as prescribed by the memorandum are bound to arouse reaction from the Chinese side. In order to safeguard the interests of Hong Kong people, to ensure sound financing for the SAR government, and to achieve a steady transition, the Chinese side will have to take some precautionary measures.

In a statement made yesterday, the spokesman for the Hong Kong and Macao Affairs Office of the State Council declared: Unless the Chinese and British sides reach an agreement on the financing of the new Hong Kong airport project, 1) the Chinese side and the future SAR government will take no responsibility for any financial outlays and liabilities arising from the new airport project. 2) All land leases related to the new airport project and the revenues arising therefrom, including the airport reclamation and plots of land along the airport railway, are, with no exception, subject to negotiations and approval by the

Sino-British Land Commission, in accordance with the provisions of Annex III to the Sino-British Joint Declaration. 3) All contracts related to the new airport project, striding over 30 June 1997, and signed by the British Hong Kong Government without the prior consent of the Chinese side will be null and void as of 1 July 1997. 4) All legislation related to the new airport project passed in the British Hong Kong Legislative Council will be null and void as of 1 July 1997.

It is not that the Chinese side does not endorse the construction of the new airport. In fact, the Chinese side has so far approved the Central and Wanchai land reclamation projects and the Western cross-harbor tunnel project. The Chinese side's very intention is to ensure that all financial outlays conform with the memorandum, to minimize the huge amount of liabilities left over to the SAR government, and to urge the British side to return to the negotiating table and stop arbitrarily spending and appropriating.

With a financial surplus of over HK\$100 billion, the British side now resorts to an idea of shifting liabilities onto the SAR government by encroaching on the SAR's land lease revenue and securing a huge amount of loans. This destructive [chai lan wu 2135 3620 3064] behavior will undermine cooperation and steady transition. And the British side's purpose in doing so is to take away the money from Hong Kong people and turn it into staggering profits in British consortia's pockets. For example, the Chingma Bridge project promises a profit rate as high as 50 percent. And that is the reason why the British cabinet committee does not hesitate to support Chris Patten in breaching agreements and acting recklessly during the late transitional period.

The practice to leave over to the SAR government an amount of liabilities nine times as much as the limit prescribed by the memorandum is a wishful thinking on the part of Chris Patten. But now the Chinese side has declared that it will not take any responsibility for such financial outlays and liabilities. This will warn international consortia not to be fooled by the British Hong Kong authorities and not to grant loans at risk. This actually will prevent the British from arbitrarily spending money and leaving huge debts to Hong Kong people. The British side is also trying to pave the way for acquiring greater economic benefits after 1997, by such means as reassignment, signing contracts, granting franchises, authorizing the airport corporation to grant land leases, and formulating the new airport corporation bill to make the corporation an "independent kingdom" and thus sidestep supervision. But any losses arising thereof will be borne by Hong Kong people. Therefore, the Chinese side will not possibly recognize any laws and ordinances, contracts, and franchises concerned before any agreement is reached. The purpose in doing so is to guard against the attempt by the British Hong Kong Government to anticipate and exhaust Hong Kong's financial resources.

Lots of historical facts, as well as what is taking place now, show that the British are trying to create chaos and then

fish in troubled waters, making money by every means. The disputes between China and Britain on the airport issue are, in substance, an issue of whether to observe the memorandum in running the airport project or not and whether to handle transition affairs through negotiations and cooperation or not. Everyone who loves the motherland and Hong Kong will support the Chinese side's sensible, reasonable, and legal measures and oppose any arbitrary acts taken by the colonial authorities out of selfish consideration.

Contractors 'Unlikely' To Be Affected

HK2601041694 Hong Kong SOUTH CHINA
MORNING POST in English 26 Jan 94 p 2

[By Keith Wallis]

[Text] Contractors and consultants working on the airport are unlikely to be directly hit by the threat to revoke all airport contracts in 1997. All work now underway is due to be completed by the June 30 deadline.

The Tsing Ma bridge, topped out on Monday, is slightly ahead of programme and well on course to be completed before June 1997. The airport site reclamation work is also ahead of schedule, while construction of other key core projects, including the West Kowloon reclamation and the North Lantau expressway, is well advanced.

Trafalgar House, one of the companies in the Anglo-Japanese construction consortium building the Tsing Ma bridge, confirmed this. "As far as we are concerned, China's comments do not affect us, because the bridge will be handed over to the Hong Kong Government prior to June 1997," said Anthony Hasluck, a Trafalgar House spokesman in London. He said design and building firms working on the airport core projects were being paid by the Government as work progressed.

What China's comments may do is to deter companies from bidding for work which overlaps the handover. This almost certainly includes the airport railway, which has been delayed by more than a year. It could also affect the airport terminal, although the Provisional Airport Authority has appointed several companies to advise on how construction can be speeded up. But firms will want to see proof that China is serious about canceling contracts before they take action. Many are aware that this is the second time the Chinese authorities have threatened to cancel orders which straddle the 1997 handover.

China's statement also places a fresh question mark over the future of Container Terminal Nine. The Port Development Board has been waiting more than a year for the go-ahead from China to award the concession. Any further delay will place even more pressure on the existing facilities.

Interest in several of Hong Kong's other major infrastructure projects could also be torpedoed. Among these are the Country Park section of the Route 3 highway to China which has just gone out to tender; the strategic sewage disposal strategy and plans by the Kowloon-Canton Railway Corporation to extend its heavy rail network.

But to what extent this happens depends on how companies interpret China's declaration, which said that only projects which had not been approved by the Chinese side would be revoked. So while the Central reclamation and Western Harbour Crossing are apparently unaffected by the Chinese threat, the position is less clear about Route 3 and the sewage disposal project, even though the Chinese authorities have given their tacit approval to both.

Reaction to PRC Airport Statement Noted

Government Reacts 'Cautiously'

HK2601014094 Hong Kong SOUTH CHINA
MORNING POST in English 26 Jan 94 p 1

[Report by Fanny Wong]

[Excerpts] China last night brought on a showdown with the Hong Kong administration over the new airport, declaring that legal and financial obligations not approved by Beijing would be invalid after 1997. [passage omitted]

The Government has so far awarded 34 contracts worth a total of \$31.4 billion. This represents 78 percent of the value of government airport core project contracts. It is understood all works under the 34 contracts will be completed before the 1997 changeover, saving them from the impact from the declaration. The immediate victims are expected to be the franchises crucial to running the Chek Lap Kok facility, such as baggage and cargo handling, catering, air fuel supply and aircraft maintenance.

The Airport Corporation Bill, which is yet to be approved by the Legislative Council, would be invalidated in 1997. Even if the management corporation was approved and set up it could be dissolved.

Legislators last night accused the Chinese Government of reacting irrationally and dealing a blow to Hong Kong people's confidence. They warned that due consideration should be given to the possible impact on the community. The Government reacted more cautiously, saying only that it was still studying the XINHUA statement.

A spokesman said: "But meanwhile we must stress again that we have complied fully with the Memorandum of Understanding on the Airport Core Programme.

"The position is that we are awaiting a response from the Chinese side to our formal request for an early meeting of the Airport Committee, which we hope will resolve outstanding issues on the financing of the airport and the airport railway."

Legislators Express Views

HK2601014194 Hong Kong SOUTH CHINA
MORNING POST in English 26 Jan 94 p 2

[By So Lai-Fun and Linda Choy]

[Text] Legislators last night said China's latest declaration on the airport breached the 1991 Sino-British accord on the project.

The United Democrats' spokesman on airport and infrastructure, Albert Chan Wai-yip, rejected the statements by the Hong Kong and Macao Affairs Office, calling it an "irrational" move. Mr Chan said the Chinese Government breached the agreement—the Memorandum of Understanding (MoU)—under which both sides said they would co-operate on the construction of Chek Lap Kok.

He further criticised China's warning that it would declare airport-related legislation passed by the pre-1997 legislature invalid as disrespectful of the Basic Law. Mr Chan called on the two governments to reveal their interpretation of the memorandum and any exchanges that had taken place before the signing. Despite the threats from China, the United Democrats would continue to support the Government's funding request for the airport projects to give them a chance of being completed before the changeover, Mr Chan said.

Meeting Point's Fred Li Wah-ming said the statement was a heavy blow to the confidence of Hong Kong people. He said China's four point declaration carried an explicit warning that legislators should not approve any of the funding proposals put forward by the Government recently. Mr Li said his party would not bow to such pressure, added that continuing objections from China without concrete counter-proposals were of no help to the airport row.

While other political parties regarded China—the future sovereign of Hong Kong—as in a legitimate position to bring its threats into action, they said due consideration should be given to the impact on the community.

Describing the Chinese position as "unfortunate", Steven Poon Kwok-lim of the Liberal Party said it would inevitably harm the airport's construction. It would be more difficult for the project to move ahead if China displayed such an attitude, he said.

But Mr Poon said the declaration would not change his party's stance on the airport funding issue or the Airport Corporation Bill, the legislation governing the management body for the new airport. "The four-point declaration does not contradict our principles, we have stated very clearly that we would not agree to any funding requests that would leave any (financial) implications for the SAR [Special Administrative Region] government", he said. As for the airport bill, Mr Poon said the party's stance was that it would not give its consent without China's approval.

Frederick Fung Kin-kee, chairman of the Association for Democracy and People's Livelihood warned that the mainland statement could lead to further delay in the airport projects. It would create further hurdles in the search for financial support, he said.

Tam Yiu-chung of the pro-China Democratic Alliance for the Betterment of Hong Kong said Britain should stop all funding requests until it received China's approval for the financing arrangements. "One central theme of the statement is that China as well as the future SAR will not

shoulder any of the responsibility left over by the unilateral move of the Hong Kong British Government," Mr Tam said.

Commentary Refutes Idea of 'Legislative Vacuum' in '97

HK2401103494 Hong Kong TA KUNG PAO in Chinese 24 Jan 94 p 1

[Commentary by staff reporter Ming Chi-Liu (2494 0796 3177); "dispatched from Beijing 23 January": "There Will Be No 'Legislative Vacuum' After 1997"]

[Text] Prompted by the British side's unilateral decision to submit the "partial constitutional reform bill," which violates the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings reached previously, to the Legislative Council, which has resulted in the derailing of the "through train," some Hong Kong people have alleged recently that there would be a "legislative vacuum" in Hong Kong after 1997. The legal panel of the Preliminary Working Committee spent about five hours discussing relevant problems today and came to the conclusion that judging from the perspective of legal principles, there would be no such thing as a legislative vacuum in the future Special Administrative Region [SAR].

The British Side's Noncooperation Is at the Root of the Problem

Before commenting the panel's opinion, we should first of all discuss the legal logic of the so-called "legislative vacuum." Some people said: If the Chinese and British sides failed to reach agreement on Hong Kong's elections, which would cause the "through train" to be derailed, and accordingly the three-tier councils had to be re-established after 1 July 1997, there would certainly be a period when there were no legislative bodies, and when legislation would thus be suspended, before the SAR legislative council was set up. Again, since the SAR Legislative Council would not be established on 1 July 1997 and confirm Hong Kong's existing legal procedures, the SAR government would not provide sufficient legal basis for its operations.

We can discover loopholes in the above argument. First, the argument about a "legislative vacuum" is based on the hypothesis that there will certainly be no "through train." But this is unfounded according to legal principles, because the British side should replace its "three violations" bill with a "three conformities" one before the electoral law is passed or before elections are held according to the arrangements agreed. Therefore, the crux of the problem lies in whether the British side is willing to sincerely cooperate with the Chinese side, and not in whether there will be a "legislative vacuum."

Failure To Set Up the SAR Legislative Council Immediately After 1 July 1997 Does Not Mean a "Legislative Vacuum"

Second, even if the "through train" should finally be derailed and the final Legislative Council under British

rule were not to become the first SAR Legislative Council, this would only mean something being wrong with the convergence of the legislatures. The failure of the SAR Legislative Council to operate immediately after the 1 July 1997 and a "legislative vacuum" are issues of different natures, so they should not be mentioned in the same breath. Judging from the perspective of legal principles, a "legislative vacuum" means three things: 1) no legislation; 2) no laws; and 3) no legislative bodies.

According to legal principles in broad sense, a "legislative vacuum" refers to a legislative power vacuum of a government, which is exactly what the first content of a "legislative vacuum" refers to. But Article 2 of the Basic Law stipulates: "The National People's Congress [NPC] authorizes the Hong Kong SAR to exercise a high degree of autonomy in accordance with the provisions of this Law and to enjoy executive, legislative, and independent judicial power, including that of final adjudication," therefore so long as the Basic Law still exists when Hong Kong reverts to China on 1 July 1997 and so long as the SAR government is established without a hitch and has power vested in it by the NPC, the SAR will certainly enjoy inviolable legislative power. So fundamentally speaking, there will be no "legislative vacuum."

Third, Article 8 of the Basic Law provides: "The laws previously in force in Hong Kong, that is, the common law, rules of equity, ordinances, subordinate legislation, and customary law shall be maintained, except for those that contravene this Law or have been amended by the legislature of the Hong Kong SAR." Clearly, though the SAR Legislative Council cannot be set up immediately after 1 July 1997, laws that do not contravene the Basic Law will remain in force, and this has been guaranteed by the Chinese Government. Therefore, if it was not considered that the existing over 500 laws and ordinances all contravened the Basic Law and thus must be scrapped, there would be no such problem as a legislative vacuum; and even though many existing laws and ordinances were found to be against the Basic Law, we would at most face a problem of insufficient laws and ordinances.

Let us now turn to the problem concerning the SAR Legislative Council. We are not now in a position to certify whether there will be a period when there will be no legislative bodies, because the method of setting up the first SAR Legislative Council has not been finalized. Nevertheless, if the SAR Legislative Council cannot be set up immediately after Hong Kong returns to Chinese sovereignty, it does not necessarily mean legislative work will be left undone. After all, the legislative body and legislative work are separate matters, and an equals sign should not be drawn between them.

Therefore, with the existing articles and stipulations, a "legislative vacuum" is unlikely in Hong Kong.

Actual Operations Will Eliminate the Likelihood of a "Legislative Vacuum"

On the other hand, judging from the perspective of actual operations, even if the first SAR Legislative Council

cannot be set up immediately after 1 July 1997, there will be only technicalities, and these technicalities will not develop into big problems. First, of the 10 functions of the SAR Legislative Council, only one is a legislative function, that is, "the SAR Legislative Council shall enact, repeal, or amend laws in accordance with the provisions of the Basic Law and legal procedures," while the other nine functions are related to supervision and appointments and removals. Second, the SAR will introduce the "executive-led" political system. Under the system the chief executive enjoys the power and function of issuing administrative orders, and the SAR government the power and function of "drafting and introducing bills, motions, and subsidiary legislation." Therefore, if the SAR Legislative Council cannot be set up immediately after 1 July 1997, it will not produce a big substantive impact. Also, the Basic Law authorizes the SAR Preparatory Committee to make any decisions to facilitate the establishment of the SAR. Related foreign experience shows that the preparatory committee for the establishment of a new government can eliminate the possibility of a "legislative vacuum."

To sum up, the best way to avoid a "legislative vacuum" is for the British side to withdraw the "three violations" bill and return to the course of cooperating with the Chinese side so that the two sides will jointly handle the problems related to the hand-over of political power. Even if things fail to turn out as expected, there will be no such problem as a "legislative vacuum" so long as the Basic Law exists. The biggest possible problem will only be that the SAR Legislative Council will not operate on the day political power changes hands. And experience in actual operations reveals that it is also not necessary for the SAR Legislative Council to do so.

Pro-Beijing Group Says No Legal Vacuum After 1997

HK2401033494 Hong Kong SOUTH CHINA MORNING POST in English 24 Jan 94 p 2

[From Doreen Cheung in Beijing]

[Text] There would be no legal vacuum after the 1997 change over despite the likely absence of a legislature for the first months, a China-appointed body has assured.

Speaking at the end of a two-day session, acting Hong Kong co-convenor of the Preliminary Working Committee (PWC) legal sub-group, Lo Tak-shing, said there were sufficient mechanisms in place to cope with any problems that arose during the transition. "We have a sovereign in power and a Basic Law in place. The Basic Law preserves all the existing laws of Hong Kong, except those which conflict with the Basic Law."

He said the Standing Committee of the National People's Congress had already empowered the Special Administrative Region (SAR) Preparatory Committee to do almost anything needed to prepare for the establishment of the first government. The legal sub-group's conclusion implied that it was possibly unnecessary to devise a mechanism to cope with any legal vacuum at July 1, 1997, he said.

"We have in place a complete structure and laws for the Hong Kong society. There is no problem at all."

The question of a legal vacuum was raised by the political sub-group in discussions of the formation of the first government and the first SAR legislature. Given the collapse of the Sino-British talks on electoral arrangements and the need to hold fresh elections by mid-1997, some members feared that Hong Kong would have no legislature for several months after July 1 1997. They suggested interim measures such as forming a provisional legislature, allowing the National People's Congress to legislate on behalf of Hong Kong or delegating legislative power to the SAR chief executive. The political sub-group will meet on Friday and Saturday in Beijing.

Mr Lo said it was a misunderstanding that the absence of a legislature in 1997 would mean that there would be no laws in Hong Kong or no mechanism to enact legislation. "The fact is that the SAR Preparatory Committee can rule Hong Kong in accordance with Hong Kong laws," he said.

Mainland co-convenor Shao Tianren said there would be no vacuum in the transition as China would resume sovereignty over Hong Kong immediately on July 1, 1997. "There exists no legal vacuum," Mr Shao said. Mr Shao said few laws would need to be changed because they failed to comply with the Basic Law. Changes would mainly be amending terms such as "colonial", "your majesty" and "governor".

But Preliminary Working Committee member Tam Yiu-chung held reservations, saying it was difficult to determine so early that there would not be a legal vacuum.

Third English-Language Daily To Begin 1 Feb

HK1801084294 Hong Kong AFP in English 0750 GMT 18 Jan 94

[By Peter Lim]

[Text] Hong Kong, Jan 18 (AFP)—Hong Kong's biggest press group launches Tuesday the territory's third English-language daily—planned to reach the stands next month—with an independent editorial stance as its selling point.

"We're ready to start publishing on February 1," said Steve Vines, the new paper's editor, who claimed the EASTERN EXPRESS—owned by the Oriental Press Group—would be "independently minded" with no political affiliations.

Local analysts have welcomed the emergence of a new English-language newspaper, with many saying the newspaper had taken the best selling point by insisting on its independence at this politically sensitive time.

While, in theory, a free press flourishes in Hong Kong, in the transition to China's takeover of the British colony in 1997, the future of the press remains uncertain.

As a result, some dailies are shifting stances towards China, with many engaging in self-censorship to avoid

offending Beijing, giving the EASTERN EXPRESS the chance to exploit the psychological advantage of being "neutral."

The two established English-language dailies have taken notice of the market newcomer, changing formats and offering giveaways in an effort to keep their readers from deserting to the EASTERN EXPRESS.

The market leader SOUTH CHINA MORNING POST—which Tuesday touted its spruced up "bigger, better" business pages—is offering nine Mercedes Benz cars in a competition for its readers.

The HONG KONG STANDARD has also radically changed its format and logo, and now offers a weekly colour magazine and the CHINA DAILY'S BUSINESS WEEKLY as a supplement every Monday.

"We are delighted by the response from our competitors," Vines said. "We will have a place in the market," he said confidently.

The ORIENTAL EXPRESS [as published] has bought German-made presses at a cost of 24 million dollars which will print more than twice as fast and with about the third of the labour of current presses in use here.

The new daily plans an initial circulation of 60,000 copies a day.

Its sister publication, the Chinese-language ORIENTAL DAILY, currently claims a readership of 1.6 million.

The emergence of the new newspaper followed the purchase by Chinese-Malaysian tycoon Robert Kuok—who

has substantial business interests in China—of a 24.9 percent stake in the SOUTH CHINA MORNING POST.

Kuok's acquisition prompted fears the SOUTH CHINA MORNING POST would adopt a more pro-China stance, although the reclusive entrepreneur has said he planned no change in its editorial policy.

The Chinese language press ranges from pro-Beijing to pro-Taiwan.

The launching of the EASTERN EXPRESS adds to the colony's existing 67 newspapers and 608 periodicals—including 39 Chinese-language dailies and two English-language dailies—the world's highest rate of newspapers per person.

Timothy Hamlett, a media lecturer at the Baptist College, said the new newspaper would give Hong Kong an average of two and a half newspapers per person in the colony of six million people.

But, he said, despite the saturated press industry, "the launching of a third English-language daily is worth experimenting" with.

"There is an obvious temptation to take the non-left wing stance," he said, "whether it will work is another question."

"It is a fantastic development," said media analyst James Miles of Asia Equity, but he predicted it would take at least six months to see whether the newspaper was profitable.

"It will offer more choice to consumers," said media analyst Kirk Sweeney of Lehman Brothers.

"It remains to be seen whether the editorial policy will be independent," he added.

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